

BY THE COMPTROLLER GENERAL

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# Report To The Congress

OF THE UNITED STATES

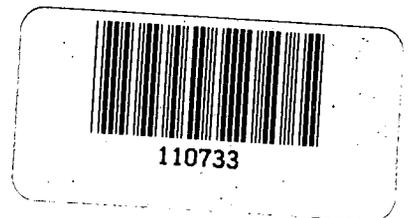
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## Housing Leased To Lower Income Persons: Better Federal Guidance And Management Could Improve Quality

Although many homes leased to lower income persons under the section 8 "existing housing" program are decent, safe, and sanitary, others violate Federal quality standards. Problems which adversely affect the quality of the housing include:

- Federal standards not always clear and comprehensive.
- Inadequate housing inspection and approval practices.
- Higher priorities given to other factors, such as immediate need for housing, tenant location preferences, and housing production goals.
- Unclear Federal management responsibility and accountability for housing quality.

The Secretary, Department of Housing and Urban Development, should provide managers of subsidized housing with better guidance on maintaining quality.



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OCTOBER 30, 1979



COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-118718

To the President of the Senate and the Speaker of the House of Representatives *CW 2 20001*

This report presents our assessment of housing quality in the Department of Housing and Urban Development's section 8 existing housing program. A number of recommendations are included to promote better guidance and management over section 8 housing quality.

Our review was made because little information has been available on whether program participants are leasing decent, safe, and sanitary housing--a major program objective.

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of Housing and Urban Development. *AGC00023*  
*AGC00027*

ACTING Comptroller General  
of the United States

D I G E S T

The "existing housing" program operated under section 8 of the Housing and Community Development Act of 1974 has provided decent, safe, and sanitary housing to many lower income persons. However, a substantial number of homes leased under the program violate Federal housing quality standards.

GAO identified weaknesses in HUD's management of the program which appear to have contributed to the leasing of substandard homes. Better guidance to public housing agencies that administer the program and more emphasis on housing quality could have prevented leasing many of the substandard homes.

The section 8 program has been the principal Federal program for placing lower income persons in housing they can afford. HUD establishes rent ceilings at amounts needed to obtain privately owned, existing (not new), nonluxury rental housing with suitable amenities. Federal funds committed as of March 31, 1979, to the existing housing program totaled about \$17.2 billion for the support of about 500,000 units over a 15-year period. (See p. 3.)

CONDITION OF HOUSING

GAO, accompanied by HUD inspectors, inspected 160 section 8 units (apartments, single-family dwellings, and mobile homes) administered by 16 public housing agencies under the jurisdiction of 5 HUD field offices that were responsible for about 20 percent of all section 8 existing housing units occupied nationwide. The units were in Arizona, California, Georgia, Illinois, and Massachusetts. (See pp. 4 and 5.) Although the units in each public housing agency jurisdiction were randomly selected, the results of GAO's study cannot be assumed to represent a statistically valid sample of all units in the country.

In the opinion of the HUD inspectors:

- Fifty-eight percent of the homes in GAO's sample had no substandard conditions, while the other 42 percent contained one or more condition which violated Federal housing quality standards and/or endangered the life, health, safety, or welfare of the occupants or the public. (See pp. 8 and 19.)
- While some of the homes containing substandard conditions were considered to be decent, safe, and sanitary, conditions in 18 percent of the homes (29) were so serious that they were considered not decent, safe, and sanitary. Section 8 contracts on nine of the homes were canceled by the housing agencies as a result of the inspections and, on two others, cancellation was pending at the completion of GAO's fieldwork. (See p. 27.)

The substandard homes (42 percent) contained an average of three substandard conditions, with safety hazards being the condition identified most frequently by the HUD inspectors. Conditions included dangerous walks and steps; inadequate heat and electrical wiring; dangerously deteriorated floors, walls, and ceilings; and inoperative or unlockable windows and exterior doors.

#### WEAKNESSES CONTRIBUTING TO SUBSTANDARD CONDITIONS

GAO found that four weaknesses in HUD's guidance to housing agencies contributed to the leasing of substandard housing:

- Federal housing quality standards are not always clear and comprehensive. (See p. 30.)
- Housing authority inspection and approval practices are inadequate. (See p. 43.)
- Need for housing, tenant location preferences, and production concerns are given higher priority than housing quality. (See p. 48.)
- Landlords and/or tenants inadequately maintain leased housing. (See p. 54.)

Section 8 program managers at HUD headquarters have not been assigned specific responsibilities or held accountable for ensuring that housing leased under the program is decent, safe, and sanitary. As a result, program managers have given too little attention to housing quality and have not taken advantage of opportunities to improve it. (See p. 65.)

Headquarters managers have placed too little emphasis on

- evaluating and reporting on the quality of housing programwide,
- providing guidance and useful information to housing authorities on quality, and
- interpreting and refining the Federal quality standards. (See p. 66.)

The quality of the program's housing could be improved by identifying and correcting housing agencies' weaknesses and by analyzing HUD inspection reports collectively to identify nationwide housing quality problems. (See pp. 71 to 73.)

#### RECOMMENDATIONS

GAO recommends that the Secretary of HUD provide better guidance to housing agencies and better program management of section 8 existing homes. (See pp. 62 and 74 for detailed recommendations.)

#### AGENCY COMMENTS

HUD agreed with GAO's recommendations and outlined the following actions for implementing them:

- Issuing a public housing agency administrative guide and training to both the HUD field staff and housing agency administrative staff.
- Revising and clarifying housing quality standards.
- Analyzing and taking corrective action, if necessary, on the organizational function, structure, and staffing of appropriate headquarters units.

--Designing a data collection and management system to assess what causes approval of substandard leased housing, assure that corrective action is taken, and provide headquarters with systematic information on housing quality. (See pp. 63 and 74.)

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#### ABBREVIATIONS

GAO	General Accounting Office
HUD	Department of Housing and Urban Development
PHA	public housing agency

## CHAPTER 1

### INTRODUCTION

Since August 1974, the section 8 leased housing program has been the major Federal program for assisting lower income families in obtaining decent, safe, and sanitary housing. The program authorizes the Department of Housing and Urban Development (HUD) to provide rental assistance to lower income families to lease existing, newly constructed, substantially rehabilitated, or moderately rehabilitated homes in the private market.

This report focuses on housing leased under the existing housing portion of the program. Because it makes use of the existing housing stock, this portion of the program began first. New and substantially rehabilitated housing was not occupied until the spring of 1977, about 18 months after the existing housing program began. The moderate rehabilitation program was not authorized by the Congress until October 1978.

Our objectives were to test the adequacy of controls over section 8 existing housing quality and determine if the quality of such housing should be improved. Since the program's inception, little information has been available concerning whether participating families have obtained decent, safe, and sanitary housing.

### BACKGROUND

The Housing and Community Development Act of 1974 (Public Law 93-383, Aug. 22, 1974) amended the United States Housing Act of 1937 (42 U.S.C. 1401) and added, under section 8, a new program to provide rental assistance to families with incomes too low to obtain decent housing in the private market. The section 8 program followed HUD's suspension in January 1973 of its major housing programs, such as low-rent public housing and homeownership assistance. In September 1973, the President announced that the section 23 low-rent public housing leasing program, under which local public housing agencies (PHAs) leased existing privately owned housing for eligible families, would be resumed. A modified homeownership program and a conventional public housing program were also resumed at later dates but were not as active as they were before suspension. The section 8 program replaced the section 23 program in August 1974.

Under the section 8 program, a family pays 15 to 25 percent of its gross income for rent. The Federal Government pays the difference between the family's contribution and the total rent charged by the landlord. Generally, the rents charged must be no higher than fair market rents established by

HUD for each housing market in the country. Participating families' income generally may not exceed 80 percent of the area median income, with adjustments for smaller or larger families. At least 30 percent of the families initially assisted must have incomes not exceeding 50 percent of median income.

The existing housing portion of the program is administered at the local level by PHAs, organizations of State, county, or municipal governments authorized to assist in the development or operation of housing for low-income families. The PHA determines an applicant's eligibility and authorizes qualified families to find an existing suitable home which meets section 8 housing quality standards. Subject to PHA approval, the family enters into a lease with the unit owner. The PHA and the owner execute a housing assistance payments contract to provide payments to the owner on behalf of eligible families. The owner is responsible for maintaining the unit.

#### HOUSING QUALITY REQUIREMENTS

A major purpose of the section 8 program, as stated in section 8(a) of the Housing and Community Development Act of 1974, is to aid "lower-income families in obtaining a decent place to live." Housing quality standards which must be met for existing housing to be considered decent, safe, and sanitary were established by HUD in Federal Regulations (24 CFR Part 882). Also, the HUD fair market rent ceilings are required to be set at amounts needed to obtain privately owned existing decent, safe, and sanitary rental housing of a modest (nonluxury) nature with suitable amenities.

Federal standards define the minimum level of quality that section 8 existing housing must meet. The standards cover 13 areas, such as sanitary facilities, food preparation and refuse disposal, space and security, illumination and electricity, and site and neighborhood. These standards (see app. I) are divided into performance requirements and acceptability criteria. The performance requirements define basic requisites that must be met. The acceptability criteria further define the performance requirements, but HUD may permit variations where local climatic and geological conditions or local codes justify such variations. The Federal standard for sanitary facilities follows as an example.

Performance Requirement: The dwelling unit shall include its own sanitary facilities which are in proper operating condition, can be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.

Acceptability Criteria: A flush toilet in a separate private room, a fixed basin with hot and cold running water, and a shower or tub with hot and cold running

water shall be present in the dwelling unit, all in proper operating condition. These facilities shall utilize an approved public or private disposal system.

### RESPONSIBILITY FOR ENSURING HOUSING QUALITY

PHAs are responsible for enforcing the Federal housing quality standards. Section 8 existing homes are required to be inspected by PHAs prior to leasing and annually thereafter to ensure continued conformance with the standards. All housing defects discovered during a PHA's initial inspection are required to be corrected before the lease is approved and the unit occupied. PHAs may not approve a lease on the condition that deficiencies will be repaired after the family occupies the unit. PHAs must also notify owners of any housing defects found during their annual inspections and, if the owner fails to take corrective actions, they may terminate the assistance payments and their contract with the owner.

HUD field offices are responsible for monitoring PHA enforcement of the housing quality standards. Officials from these offices are required to inspect a representative sample of leased units to determine if the PHA-approved dwellings meet the housing standards. Also, HUD field offices are required to examine PHA housing inspection reports to determine whether the PHA conducted the required inspections. A monitoring report, a letter to the PHA specifying corrective actions needed, and followup to determine if PHAs corrected the problems are also required.

### PROGRAM ACTIVITY

HUD had reserved contract authority <sup>1/</sup> for about 1.2 million proposed section 8 units as of March 31, 1979. Of these, about 500,000 units were reserved under the existing housing program, excluding units reserved for FHA-insured financially troubled projects. About 400,000 of the existing units were occupied at this time. Contract authority reserved for the 500,000 units totaled about \$1.1 billion annually with a projected cost of about \$17.2 billion if all contracts are extended their full potential of 15 years.

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<sup>1/</sup>Authority granted to HUD by the Congress to enter into contracts to make annual subsidy payments over a number of years to support the construction and/or operation of low-income housing.

SCOPE OF REVIEW

Our review focused on HUD controls over the quality of federally subsidized housing in the section 8 existing housing program. <sup>1/</sup> We interviewed officials and examined records at HUD headquarters and five of its field offices--Los Angeles, California; Chicago and Springfield, Illinois; Atlanta, Georgia; and Boston, Massachusetts. About 20 percent of all occupied section 8 existing housing units were located within the geographical boundaries of these five offices at the time of our review. We also discussed our work with HUD Inspector General auditors and considered the results of their internal audit reports on housing quality.

To obtain a geographical cross section of housing leased under the program, we selected 160 homes for inspection within the boundaries of the five HUD field offices. Ten homes were randomly selected for inspection at each of 16 PHAs. Except for Illinois, we selected four PHAs at each field office by ordinarily ranking all PHAs according to the number of leased units and selected the median PHA of each of four quartiles. Four PHAs in Illinois were selected in the same manner except that the universe included PHAs under the jurisdiction of two HUD field offices, Chicago and Springfield. Although the units in each PHA jurisdiction were randomly selected, the results of our study cannot be assumed to represent a statistically valid sample of all units in the country.

We interviewed officials, examined records, and inspected occupied existing section 8 homes at the following PHAs:

<u>Southern California and Arizona</u>	<u>Number of occupied existing section 8 units as of 11/30/77</u>
San Diego County Housing Authority	850
Housing Authority of the City of San Luis Obispo	220
City of Tempe Housing Authority	135
City of Culver City Housing Agency	69

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<sup>1/</sup>We excluded from our review section 8 existing housing allocations set aside by HUD to assist financially troubled projects with HUD-insured or HUD-held mortgages.

Illinois

St. Clair County Housing Authority	294
Oak Park Housing Authority	153
Kankakee County Housing Authority	75
Champaign County Housing Authority	34

Georgia

Housing Authority City of Jonesboro	632
City of Marietta	230
Housing Authority of the City of Augusta	174
Housing Authority City of Brunswick	60

Massachusetts

Chicopee Housing Authority	289
Haverhill Housing Authority	105
Reading Housing Authority	49
Norwood Housing Authority	20

The type of buildings and characteristics of families in the units we sampled were representative of the section 8 program nationwide. Seventy-nine percent of the homes selected (127) were in buildings containing more than one unit. The remaining 21 percent included 30 single family homes and 3 mobile homes. Forty-seven percent of the participant heads of household were elderly--60 years of age and older. The homes included in our sample ranged from zero to four bedrooms with one- and two-bedroom units predominating, as shown below.

	Bedrooms					Total
	Zero	One	Two	Three	Four	
Number of units	7	67	57	23	6	160

Family size ranged from one to seven people, with one- and two-person households predominating.

	Family size							Total
	One	Two	Three	Four	Five	Six	Seven	
Number of units	70	43	22	9	6	8	2	160

METHOD USED TO INSPECT HOUSING  
AND CLASSIFY AS STANDARD OR  
SUBSTANDARD

HUD field offices provided us with HUD inspectors to inspect conditions at the 160 homes. We observed the HUD inspections, during which the Federal section 8 housing standards were used.

Based on the inspection results and HUD inspectors' opinions, we classified the 160 homes as standard or substandard. Homes were classified as substandard 1/ if the HUD inspectors identified:

- Housing features specifically required by the Federal standards that were absent, not operating, or inadequate. If the required feature was present and operating, but not in proper operating condition, we classified the home as substandard only when the defect, in the HUD inspector's opinion, endangered the life, health, safety, or welfare of the occupants or public.
- Conditions which, while not specifically mentioned in the Federal standards, endangered the life, health, safety, or welfare of the occupants or public in the HUD inspector's opinion. Although not specifically mentioned in the standards, HUD inspectors cited these defects as violations of generally worded section 8 standards, such as the requirement for the site and neighborhood to be reasonably free from hazards to the health, safety, and general welfare of the occupants.

The following illustrates some of the distinctions we made in classifying homes as standard or substandard.

- Homes without hot and cold running water were classified as substandard because this housing feature is specifically required by the Federal standards. However, if the home had hot and cold running water but some faucets leaked, the home

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1/ In responding to our draft report, HUD preferred that we generally substitute the word "deficient" for references to "substandard" throughout the report. We have elected to retain the term substandard because (1) it seems to be the most appropriate word when measuring housing quality against a given set of standards, and (2) the word "deficient" can have other meanings such as deficient inspections, training, or management.

was classified as standard, unless in the HUD inspector's opinion, the defect endangered the life, health, safety, or welfare of the public or occupants.

- Homes with inadequate food storage space were classified as substandard because the Federal standards require suitable food storage space. The question of endangerment to the public or occupants did not arise. However, if the home had adequate storage space but the space was defective, the inspector was asked to give an opinion on the endangerment aspect. For example, food storage space at several homes we inspected needed refinishing or repainting. In these cases, the HUD inspectors told us that there was no danger to the public or occupants. Therefore, these were not classified as substandard.
  
- Homes in which the water heater lacked a temperature and pressure relief valve were classified as standard or substandard based on the HUD inspector's opinion on the endangerment aspect. The absence of these safety valves would not in themselves result in our classifying homes as substandard because safety valves are not specifically required by the Federal standards.

## CHAPTER 2

### MANY QUALITY HOMES LEASED BUT OTHERS

#### CONTAIN SUBSTANDARD CONDITIONS

The section 8 existing housing program has provided decent, safe, and sanitary housing to many lower income persons to whom such housing otherwise might not have been available. Improvements, however, are needed to meet more fully the program requirement to lease only decent, safe, and sanitary housing.

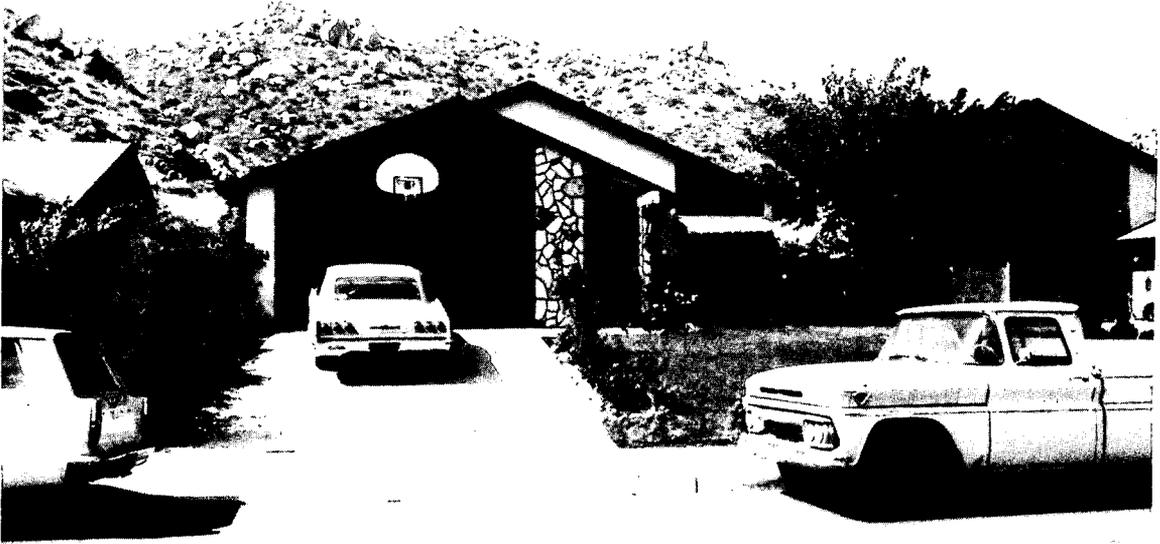
The majority of the homes inspected during our review (58 percent) were free from substandard conditions, according to the HUD inspectors we accompanied. Various factors contributed to leasing quality housing for these program participants, including frequent PHA inspections and participants' freedom to choose their housing.

However, 67 homes inspected (42 percent) contained one or more substandard conditions which violated the Federal quality standards and/or endangered the life, health, safety, or welfare of the occupants or public. The substandard conditions in 29 of these homes (18 percent) were so serious that they rendered the homes not decent, safe, and sanitary in the opinion of the HUD inspectors. The remaining substandard homes were considered to be decent, safe, and sanitary by HUD inspectors even though some substandard conditions were identified.

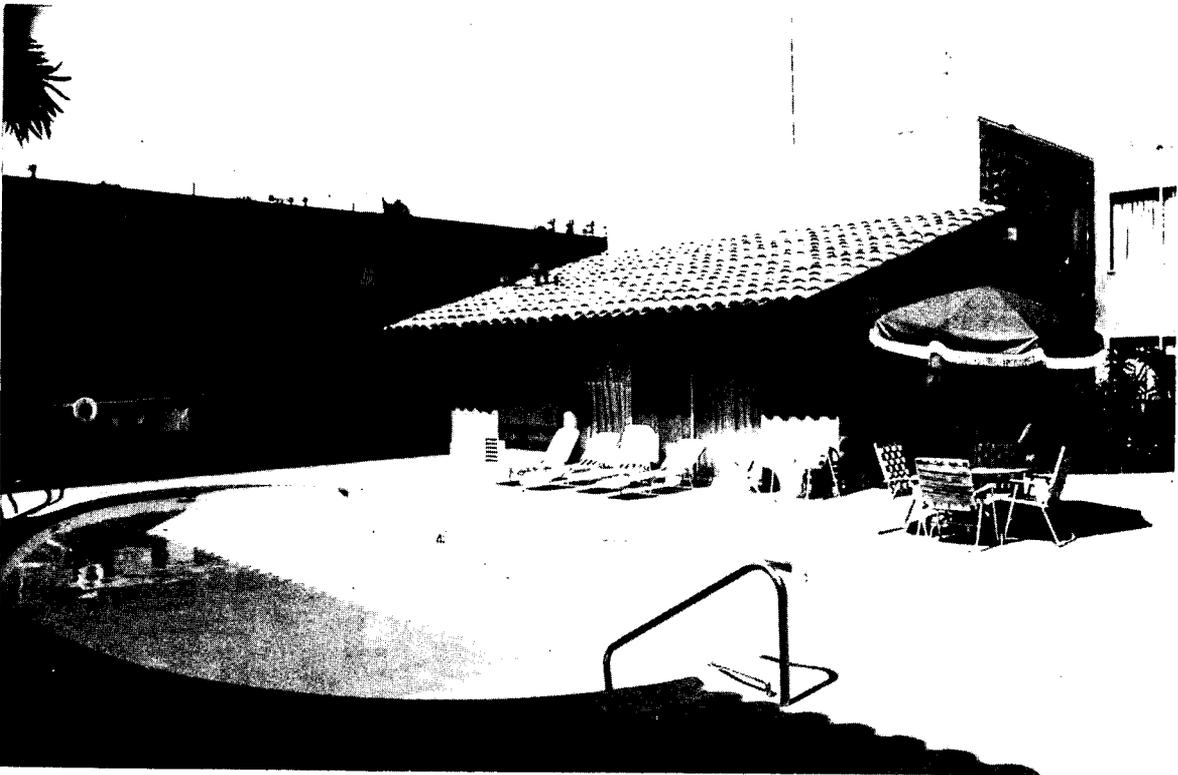
#### MOST LEASED HOUSING WAS DECENT, SAFE, AND SANITARY

HUD inspectors found no defects in 93 of the 160 homes inspected (58 percent) which would result in the home being classified as substandard. All housing features required by the Federal standards, according to HUD inspectors, were present, operating, and adequate. HUD inspectors did identify some defects in 43 of the 93 homes such as exterior and/or interior painting needed, cracked windows, and damaged closet doors. However, these defects did not violate Federal housing quality standards nor endanger the life, health, safety, or welfare of the occupant or public in the opinion of HUD inspectors. Photographs of standard units inspected are shown on pages 9 to 16.

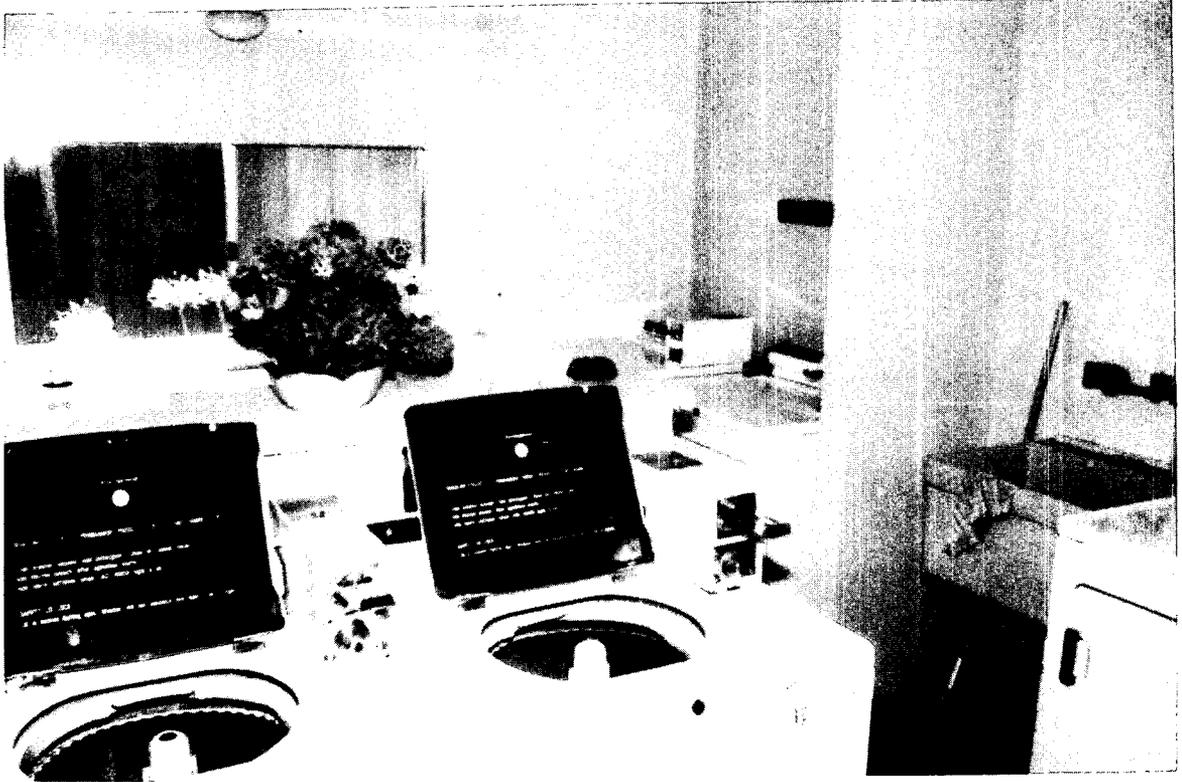
We accompanied the HUD inspectors and generally were favorably impressed with the appearance of the section 8 units inspected and their neighborhoods. Good tenant housekeeping practices were evident in the majority of the homes visited and buildings and yards were usually well maintained. The following are our observations regarding some of the units inspected.



DETACHED HOME IN CALIFORNIA.



APARTMENT IN CALIFORNIA.



APARTMENT BUILDING LAUNDRY ROOM IN CALIFORNIA.



KITCHEN IN ARIZONA.



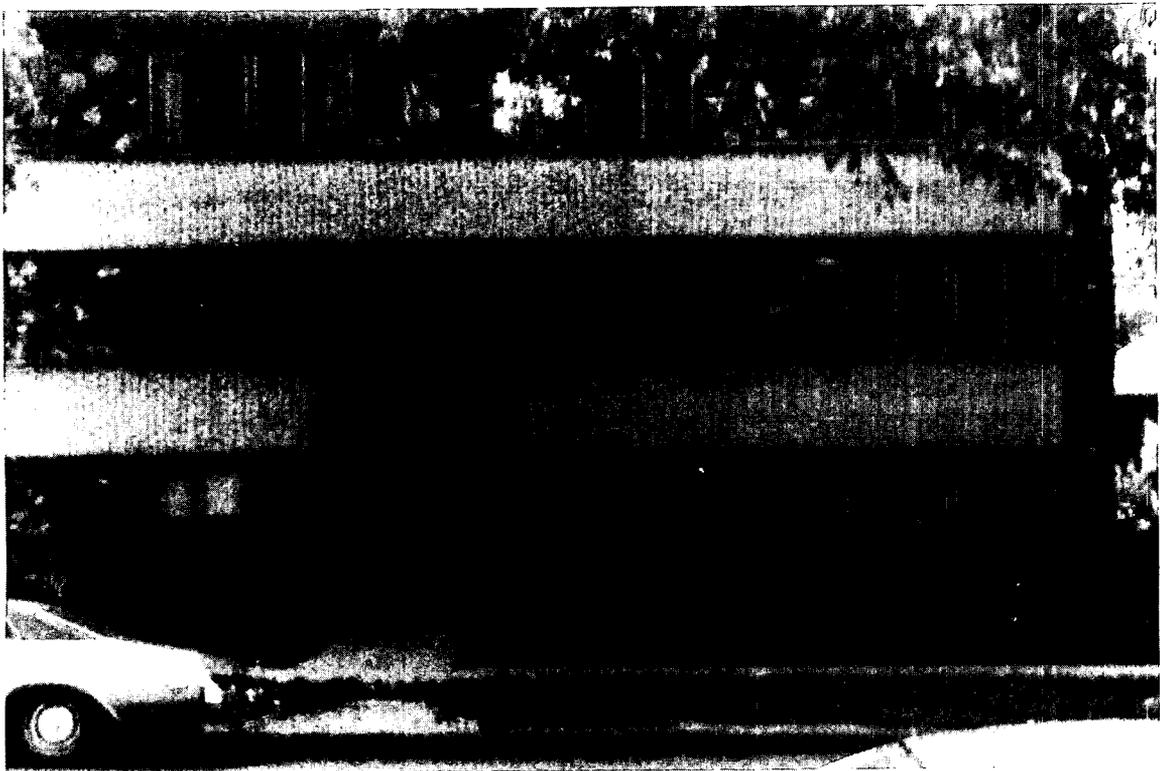
APARTMENT IN ARIZONA.



APARTMENT IN ARIZONA.



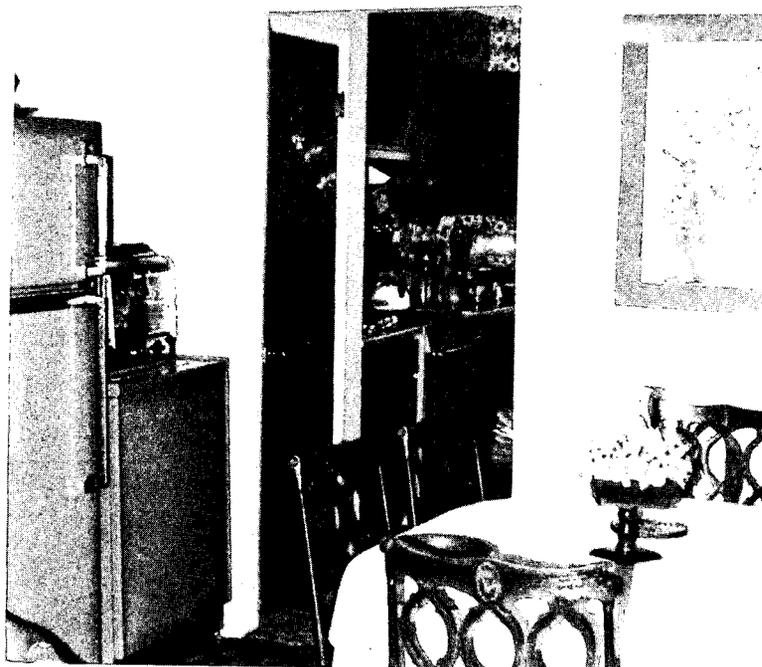
**DETACHED HOME IN ILLINOIS.**



**APARTMENT IN ILLINOIS.**



KITCHEN IN ILLINOIS.



DINING ROOM AND KITCHEN IN GEORGIA.



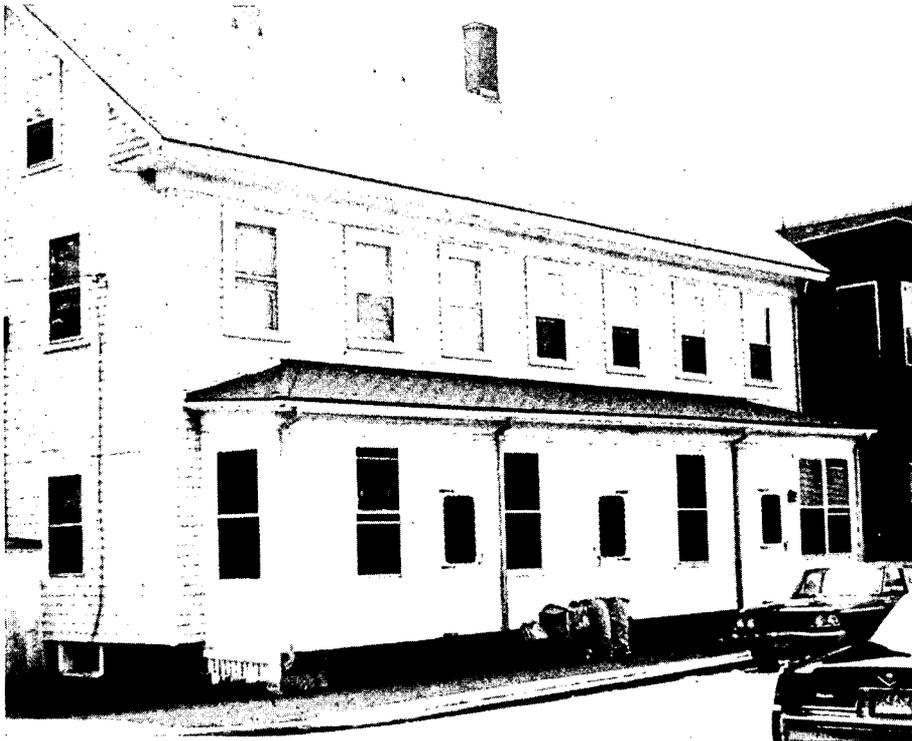
**DETACHED HOME IN GEORGIA.**



**APARTMENT IN GEORGIA.**



**APARTMENT IN MASSACHUSETTS.**



**APARTMENT IN FOUR-UNIT BUILDING IN MASSACHUSETTS.**



**BEDROOM IN MASSACHUSETTS.**

--The home was an older brick building which was extremely well kept. The apartment was immaculate.

--The home was in excellent condition and had a beautifully landscaped yard.

--This relatively new apartment complex was excellently landscaped. Housekeeping practices made the home's interior very nice. The building's laundry room had tables for folding clothes and was adjoined by a small recreation room. This was one of the best buildings in the neighborhood.

### Factors influencing good quality housing

Officials of the 16 PHAs we visited commented about factors which they believed contributed to leasing good quality housing. The factors most often cited included:

--frequent PHA inspections (eight PHAs),

--freedom of participants to choose their housing (five PHAs),

--PHA management techniques such as training and counseling of program participants and requesting landlords to make repairs (five PHAs), and

--availability of good housing within program rent ceilings (four PHAs).

PHA inspections are an important factor in leasing good quality housing. At the 16 PHAs we visited, the initial and annual inspections required by PHAs usually had been made. One hundred forty-seven of the 160 homes were initially inspected by the PHAs. Housing defects were identified by the PHAs in 43 of these homes. The defects in 29 of the 43 homes had been corrected at the time of our visits. In addition, an Urban Institute study <sup>1/</sup> found that half of the homes failing PHA initial inspections were ultimately brought up to standard, and could be leased to section 8 tenants. The study also pointed out that landlords, whose housing had failed the PHA inspection, spent an average of \$284 to bring the unit into compliance with Federal standards.

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<sup>1/</sup> A study initiated by HUD to monitor section 8 implementation in its first year of full operation and to assess its initial impact on the people it served and on the housing stock. The study resulted in, among other things, two nationwide reports issued in 1978 by the HUD Office of Policy Development and Research and the Urban Institute, Washington, D.C.

At the time of our visits, 77 of the 160 homes required annual inspections, which had been made for 74. Housing defects identified during the annual inspections also were generally corrected by the time of our visits.

Freedom for participants to choose housing was also an important factor in leasing good quality housing. For example, one HUD field office official said that section 8 offers the possibility of renting quality housing because the tenants choose where to rent and have the opportunity to move if dissatisfied with their housing. In addition, the Urban Institute study concluded that most participants who moved believed they improved their housing quality, were less crowded, and moved into better neighborhoods. Probably the most appealing program feature to participants is being able to choose where to live, according to the study.

Positive attitudes of and conscientious efforts made by PHA officials also contributed to leasing good quality housing. Officials at most PHAs we visited appeared to be administering the program conscientiously and were anxious to make the program work. Some officials knew each program participant on a first name basis, called participants periodically to inquire if everything was satisfactory, or performed minor repairs requested by tenants. Also, some PHAs assisted tenants in finding suitable rental units, negotiated with owners to make repairs, and assumed active roles in landlord-tenant and family relationships.

The availability of standard housing within program rent ceilings also played an important role in families' finding acceptable housing. Without the availability of good housing, many participants could not have leased standard housing. A 1978 report by HUD on the experimental housing allowance program <sup>1/</sup> pointed out the existence of quality housing in the cities where the experiment was conducted. Half of the participating households, according to the report, already lived in housing meeting standards of the experimental housing allowance program. This argued against the assumption that most low-income households would have to move to find suitable housing. The Urban Institute study also concluded that most participants were able to find acceptable housing. An estimated 70 percent of all section 8 participants, according to the report, found acceptable homes within the required time period.

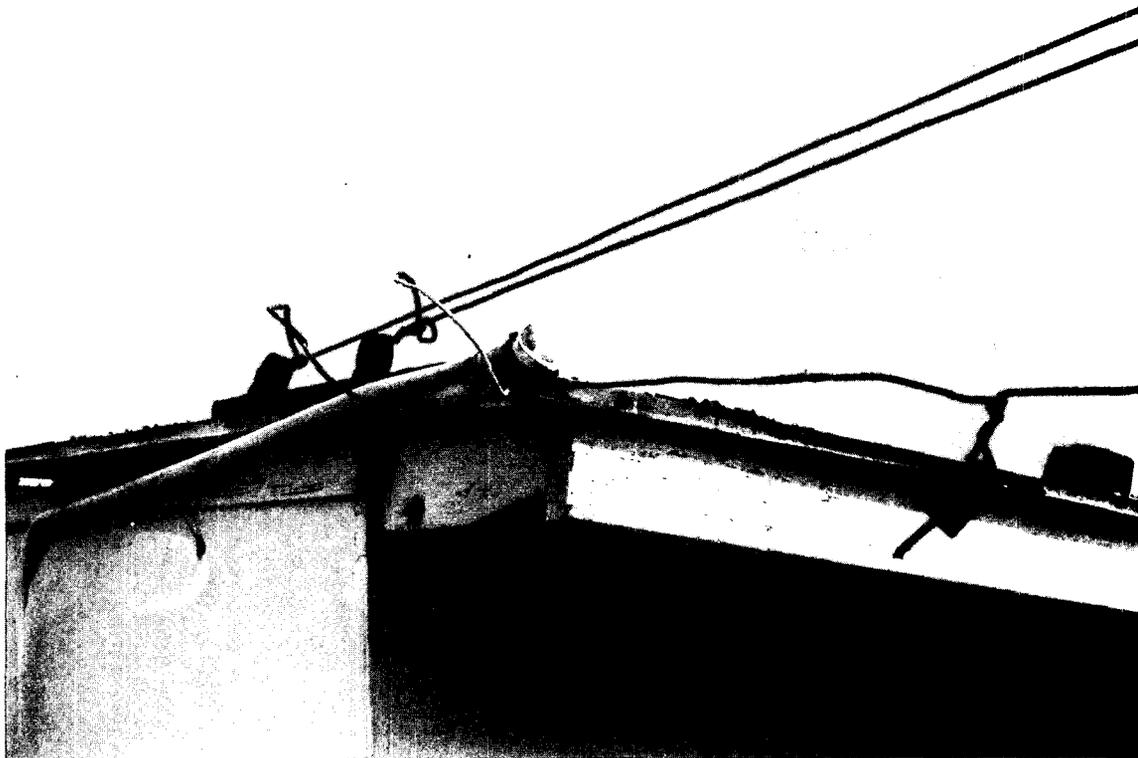
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<sup>1/</sup> A \$174 million HUD experiment to test the feasibility of a national housing allowance program.

SOME LEASED HOUSING  
WAS SUBSTANDARD

Of the 160 homes, 67 (42 percent) had one or more substandard conditions which directly violated the Federal housing standards and/or endangered the life, health, safety, or welfare of the occupants or public. On the average, each of the 67 substandard homes contained about three substandard conditions, with safety hazards being the most frequent defect identified by the HUD inspectors. Photographs of substandard housing conditions are shown on pages 20 to 23.

Safety hazards were the only defects noted in 40 of the 67 substandard homes. The most common safety hazards were broken, unlockable, or inoperative windows and doors; dangerous walks and steps; and electrical hazards. The following table summarizes the substandard conditions found in the 67 homes as they relate to decent, safe, or sanitary housing. About two-thirds of the 67 homes had multiple substandard conditions and are, therefore, listed under more than one category.



**ELECTRIC SUPPLY LINE INSULATOR PULLED LOOSE FROM ROOF IN CALIFORNIA.**



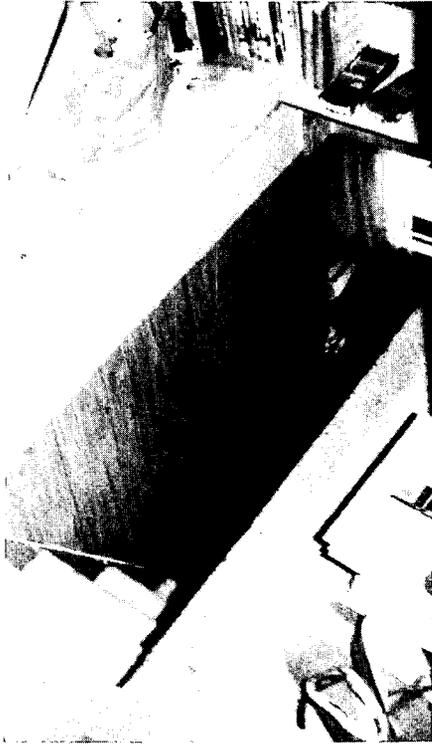
**POTENTIAL LEAD POISONING FROM PEELING PAINT IN MASSACHUSETTS.**



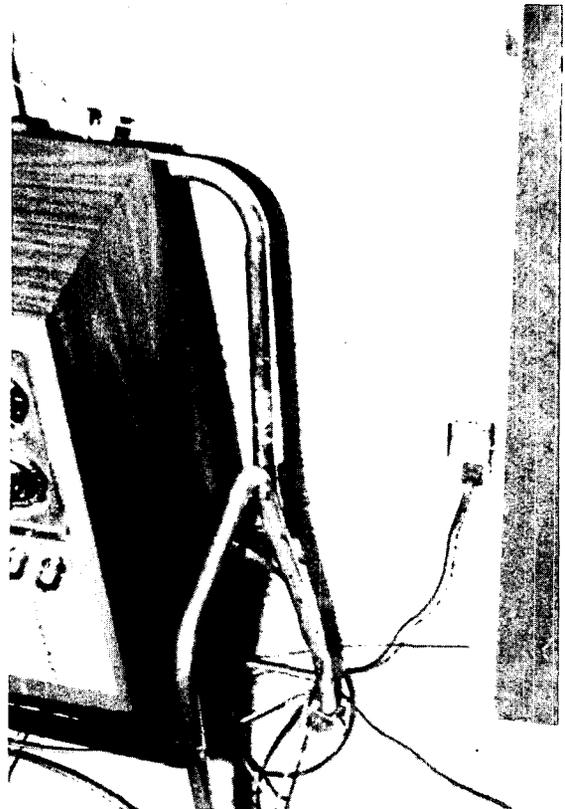
**NO SINK IN BATHROOM AND EXPOSED HOT WATER PIPES IN MASSACHUSETTS.**



**BROKEN BACK STEPS AND NO HANDRAIL IN MASSACHUSETTS.**



**MISSING HANDRAILS ON STEEP THIRD FLOOR STAIRS AND AROUND TOP OF STAIRWAY TO CHILDRENS BEDROOM IN MASSACHUSETTS.**



**ELECTRICAL WALL COVERPLATE MISSING IN GEORGIA.**



**CLUTTERED AREA AROUND WATER HEATER IN GEORGIA.**



**CLOTHES AND TRASH ON KITCHEN FLOOR IN GEORGIA.**

Number of homes

DECENCY

Kitchen stoves only partially operative	5
Inadequate heat to rooms	4
Insufficient space for:	
Food preparation	4
Food serving	2
Food storage	1
Clothes storage	1
No window in sleeping room	1
More than two people sharing sleeping room	1
Shared bathroom and kitchen	1
Flush toilet not located in private room	1
Unsanitary conditions due to poor housekeeping	1

SAFETY

Windows broken, inoperative, or accessible windows ununlockable	21
Doors broken, ununlockable, or inoperative	10
Stairway handrails missing or loose	8
Electrical wall cover plates missing	7
Stairs broken or loose	6
Improper electrical wiring	6
Violations of Natural Gas Pipeline Safety Act	5
Potential for poisoning from lead-based paint	5
Floors dangerously deteriorated	5
Hot water temperature/pressure relief valves missing or lacking discharge lines	8
Inadequate emergency exits	4
Unvented gas heaters	4
Ceilings/walls weakened by moisture condensation	3
Improperly vented water heaters	3
Fire hazards posed by accumulated trash	3
Insufficient electrical outlets in room	3
Pilot lights inoperative on gas stoves	3
Mobile homes not tied down	2
Electrical stove plug partially inserted	1
Electrical pole cracked and leaning toward building	1

Oversize fuses in use	1
Miscellaneous problems with lights, switches, and furnace	1
Falling rocks from yard retaining wall	1
Unlocked outside utility rooms	1
Miscellaneous fire hazards:	
Rags left on stove	1
Accumulated material in area of water heater	1
Couch located in front of room heater	1
Uninsulated hot-water pipes in bathroom	1
Hole in bathroom wall affording access by vermin	1
Broken glass in storm window	1
Wood planks containing exposed nails in yard and house	1
Wall heater cabinet not attached securely	1

#### SANITATION

Cockroach infestation	9
Bathroom facilities missing or inoperative:	
Window or fan-vent	6
Sink	4
Tub and/or shower	3
Excessive trash on the site	3
Garbage can missing	2
Perishable foods not stored properly	1
Contact-paper disintegrating on kitchen counter top	1
Bathroom inaccessible to tenant in wheel chair	1
Water supply contaminated	1
Sewer system unapproved	1
Kitchen sink missing	1
Refrigerator inoperative	<u>1</u>

Total number of substandard conditions  
in 67 homes

176 (note a)

a/ Five homes had multiple instances of the same defect,  
bringing the total number of substandard conditions to 181.

The number of substandard conditions at each of the 67 homes ranged from 1 to 15, as shown in the table below. About 63 percent of the 67 homes had more than one substandard condition.

Number of substandard conditions <u>per home</u>	Number of <u>homes</u>
1	25
2	19
3	10
4	4
6	1
7	5
8	2
15	<u>1</u>
Total	<u>67</u>

The number of substandard homes identified varied from one PHA to another and ranged from no substandard homes at two PHAs to 10 at one PHA. On the average, HUD inspectors identified 4 substandard homes out of the 10 inspected at each of the 16 PHAs.

A classification of each substandard condition by the Federal standard which was violated is shown in the table below. The number of violations is not cumulative since some of the 67 homes appear in more than one category.

	<u>Substandard homes</u>	
	<u>Number of homes</u>	<u>Percent of 160 sample</u>
Space and security	30	19
Site and neighborhood	29	18
Structure and materials	20	12
Kitchen facilities	17	11
Illumination and electricity	16	10
Interior air quality	12	7
Sanitary conditions	9	6
Thermal environment	9	6
Bathroom facilities	8	5
Access	5	3
Lead-based paint	5	3
Water supply	1	1
Congregate housing	0	0

According to the HUD inspectors, 38 of the 67 homes, while containing substandard conditions, were overall decent, safe, and sanitary. Many of the substandard conditions at these homes could be brought up to Federal standards at minimal costs. Examples include insecure windows and doors; steps or handrails either missing, loose, or broken; missing electrical wall cover plates; and missing temperature and pressure relief valves on water heaters.

However, other violations were serious enough for HUD inspectors to consider the homes not decent, safe, and sanitary. The HUD inspectors concluded that 29 of the 67 substandard homes, or 18 percent of the homes inspected, were in this category. In most of the 29 unacceptable homes, a number of substandard conditions were found which resulted in their being considered not decent, safe, and sanitary, as illustrated by the following example.

--Substandard conditions at one home included dangerously weak bedroom and bathroom floors, unlockable front door, unvented gas heater, potential of lead-based paint poisoning from old peeling paint, air conditioner connected to outlet with inadequate extension cord, fire hazard in kitchen closet, broken bathroom window, and portable electric heater in bathroom.

Section 8 contracts on 9 of the 29 unacceptable homes were canceled by the PHAs involved as a result of our inspections. Two other contracts were pending cancellation at the completion of our fieldwork contingent on further PHA discussions with HUD field office officials about the substandard conditions. Seven of the nine contracts were canceled after the landlords refused to remedy the substandard conditions. For the other two contracts, tenants were evicted by the owners for poor housekeeping practices which had caused the units to become substandard. The following describes what happened to the nine tenants after the section 8 contracts were canceled:

- Four were issued new section 8 participation certificates to seek housing elsewhere.
- Two remained in their substandard homes without section 8 assistance, although they could have obtained a new participation certificate to look for another unit.
- One moved in with relatives and elected to receive no further section 8 assistance.
- One left the area.
- One was not offered a new participation certificate by the PHA because of poor housekeeping practices.

## CONCLUSIONS

The majority of program participants at the 16 PHAs lived in housing which met Federal housing quality standards. Thus, the program was successful in ensuring that decent, safe, and sanitary housing was leased by these participants. A variety of factors were instrumental in achieving this success. The degree to which each factor contributed to the leasing of quality housing is difficult to assess. However, tenant behavior in choosing and maintaining their homes, supported by regular PHA inspections, seemed to be among the more important program controls.

Some leased housing contained violations of Federal housing quality standards which adversely affects the program's effectiveness in providing decent, safe, and sanitary housing to lower income tenants. Some of the substandard conditions identified were of such a nature as to render the homes not decent, safe, and sanitary in the opinion of HUD inspectors. These problems indicate the need for better HUD management over the quality of housing leased under the program.

### CHAPTER 3

#### BETTER PROGRAM GUIDANCE NEEDED

##### TO PREVENT THE LEASING OF SUBSTANDARD HOMES

While the leasing of some substandard housing may be inevitable, many of the problems identified could have been avoided if HUD had provided better program guidance to PHAs on the quality of section 8 existing homes to be leased. Better HUD guidance to PHAs is needed in the areas of Federal housing quality standards, inspection practices and procedures, balance between housing quality and housing needs and production, and landlord maintenance and tenant housekeeping responsibilities.

We identified these four weaknesses as contributing to the leasing of substandard housing through discussions with HUD and PHA officials and analysis of PHA files. For the 67 substandard homes, the following table shows the number of homes at which each weakness was identified:

<u>Categories of weaknesses which allowed substandard housing to be subsidized</u>	<u>Number of homes (note a)</u>
Federal housing quality standards were not always clear and comprehensive	24
Inadequate PHA inspection and approval practices	18
Need for housing and production concerns given higher priority than housing quality	15
Landlords and/or tenants inadequately maintained leased housing	36

a/Some homes appear in several categories because more than one weakness was identified in that home. However, no home appears more than once within a category.

Officials of the majority of PHAs we visited said housing quality problems, including some of the substandard housing identified during our review, have resulted because HUD did not provide housing quality technical assistance. Officials of 12 of the 16 PHAs we visited said they needed additional housing quality guidance from HUD.

FEDERAL HOUSING QUALITY STANDARDS  
NEED TO BE CLARIFIED AND EXPANDED

At least one substandard condition at 24 of the 67 substandard homes could be traced to problems with the Federal housing standards. In some homes, specific substandard conditions cited by the HUD inspectors were not addressed by the standards and therefore PHA inspectors had not inspected for that particular housing feature. In other homes, the standards did not provide adequate guidance or criteria to PHAs for making housing quality judgments or for requesting waivers of the standards.

HUD purposely established the section 8 housing standards as broad guidelines. HUD officials told us they wanted to avoid prescriptive criteria because housing differs in various parts of the country and many dwellings might be unacceptable for the program if requirements were too stringent. The section 8 housing standards evolved from those used in HUD's Experimental Housing Allowance Program. The experiment's standards were developed by contractors from basic housing standards used throughout the country. A HUD committee modified the experiment's standards for use in the section 8 program by adding or deleting requirements.

Comments made by PHA officials generally indicated the need to clarify and expand the section 8 standards. Some of their comments included:

- Many of the defects identified by the HUD inspectors were based on subjective opinions in view of incomplete or vague Federal standards.
- Interpretations of the standards are needed to avoid approving homes which are unsatisfactory to HUD.
- Information is needed on certain housing features which HUD inspectors consider to be necessary but are not specifically required by the section 8 standards.
- Terms used in the Federal standards such as "proper operating condition," "appropriate size," "adequate facilities," and "other harmful conditions" cannot be interpreted in a uniform manner. The interpretation varies from community to community, PHA to PHA, and housing unit to housing unit. What is perceived as adequate in one community may not be adequate in another. Such terms are not definitive enough to serve as criteria and should be supplemented with definitions and examples.

One of the contractors for the previously mentioned Urban Institute study also reported to HUD about the vagueness of certain Federal section 8 standards. The contractor reported that no test statements or evaluation methods are indicated by the section 8 standards. Furthermore, the fact that the standards often contain qualitative phrases such as "appropriate size" and "adequate facilities" aggravates the problems created by not specifying tests of compliance. The absence of tests and qualitative nature of the criteria both contribute to making the section 8 standards extremely flexible for PHAs, which is important because local conditions vary. However, the contractor also reported that because of the high degree of subjectivity involved in interpreting the standards, using them unaugmented is almost tantamount to letting inspectors create their own standards.

The following discusses specific problems we identified with the section 8 housing quality standards. These problems have caused confusion and/or disagreement between PHA and HUD inspectors. We believe HUD needs to clarify or expand each standard to state what constitutes acceptable compliance or if the housing feature is required.

1. Federal standards should define what is adequate space for preparing, serving, and storing food. The standard for food preparation, serving, and storage space provides no criteria for acceptability. The standard states that "adequate space for the storage, preparation, and serving of food shall be provided." The standard contains no clarification or interpretation of what constitutes adequate space.

HUD inspectors and PHA officials disagreed on the adequacy of food space for three homes in our sample. In these cases, PHA inspectors allowed the tenants or the personal attitudes of its employees to interpret the adequacy of food space. The following example illustrates the difference of opinion between HUD and PHA inspectors and the need to clarify this standard.

--A three bedroom apartment in Georgia for a family of five had inadequate food preparation space, according to the HUD inspector. The kitchen counter space, divided by a sink, was 3 feet long. (See photograph of this condition on page 32.) This space was used for food preparation and washing and drying dishes. The tenant said that because of the small space the top of the clothes washer was often used to prepare food. The counter space was adequate, according to the PHA inspector, because the tenant selected the unit and therefore was satisfied with the food preparation area; the space was comparable to that in a mobile home; and Federal standards do not define how much space is required.



**INADEQUATE FOOD PREPARATION SPACE IN GEORGIA.**

2. The standard for heating and/or cooling facilities should be clarified. The standard for heating and cooling systems requires interpretation. The standard states that,

"The dwelling unit shall contain safe heating and/or cooling facilities which are in proper operating condition and can provide adequate heat and/or cooling to each room in the dwelling unit appropriate for the climate to assure a healthy living environment. Unvented room heaters which burn gas, oil, or kerosene are unacceptable."

The standard does not address what minimum and maximum temperatures in the home are acceptable or whether portable electric heaters are adequate. At two homes inspected, HUD and PHA inspectors disagreed about the adequacy of kitchen gas stoves as the only source of heat. At another home, discussed in the following example, PHA officials disagreed with the HUD inspector about the adequacy of a portable electric heater.

--Heating at a mobile home we inspected in southern California consisted only of an electric portable heater and the kitchen oven. The HUD inspector believed the portable heater was inadequate to heat the mobile home and presented a safety hazard for the elderly occupant when used for prolonged periods and moved from room to room. The PHA inspector disagreed, pointing out that Federal standards do not require permanent type heating facilities and the mobile home is located in a moderate climate. The tenant informed us that the portable heater is seldom used but the oven door is left open at times to remove the chill from the kitchen.

3. Federal standards should state if leased housing must comply with the Natural Gas Pipeline Safety Act. Section 8 standards do not mention whether leased units must comply with requirements of the Natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 1671). This act required the Department of Transportation to develop minimum Federal safety standards for the transportation and distribution of natural and other gas by pipeline. Minimum standards were adopted in 1971 which, among other things, required that distribution pipes from a master meter must be protected to prevent corrosion and eventual gas leakage. Apartment and mobile home park owners distributing gas from a master meter are required to comply with the act. However, single-family homes are generally individually metered and therefore not subject to the pipeline regulations.

Only 1 of the 16 PHAs we visited inspected section 8 housing for compliance with the Natural Gas Pipeline Safety Act. Officials at 10 PHAs knew of the act but performed no checks for compliance.

HUD inspectors cited five housing units as substandard at four PHAs for noncompliance with the Natural Gas Pipeline Safety Act. Officials from three of these PHAs told us that the section 8 standards inadequately addressed this requirement. In addition, one PHA official said he did not know compliance was required for section 8 homes and had not received technical training on what to look for or how to explain the requirement to landlords. Another PHA official questioned why the requirement was not included in the section 8 standards since a substantial number of units are affected. Officials of a third PHA said they understand little of the act's requirements and did not consider noncompliance a serious safety hazard. They believed compliance with the requirement was excessive, creating a credibility gap between the PHA and participating owners.

Only one HUD field office we visited was monitoring section 8 homes for compliance with the Natural Gas Pipeline Safety Act. In 1977, the HUD San Francisco regional office informed its field offices, including Los Angeles, that the Natural Gas Pipeline Safety Act applies to the section 8 program and housing selected by participants must comply with the act.

4. The mobile home tiedown requirement should be reexamined. The section 8 standard requiring mobile homes to be tied down should be reexamined and relaxed and/or criteria provided to justify waivers. Section 8 standards require that mobile homes "shall be securely anchored by a tiedown device which distributes and transfers the loads imposed by the unit to appropriate ground anchors so as to resist wind over-turning and sliding."

The tiedown requirement may not be necessary in all parts of the Nation. We noted that HUD's programs for insuring mortgages on mobile homes and mobile home parks do not require mobile homes to be tied down. Also, some PHA officials opposed compliance with this requirement. One official told us that the requirement is excessive and that he will not disapprove a mobile home for section 8 assistance because it is not tied down. Another official told us the requirement is unnecessary in some locations.

Criteria have not been established for PHAs to justify and HUD to evaluate requests for waivers of the tiedown requirement. Section 8 regulations allow HUD to approve variations of the standards when local climatic or geological conditions or local codes justify variations. At one HUD field office we visited, HUD officials did not agree on a common basis for waiving the requirement.

HUD inspectors cited two mobile homes as substandard because of noncompliance with the tiedown requirement. The following example of one of these mobile homes illustrates the need to relax the tiedown requirement and/or provide criteria to justify waivers.

--The HUD inspector cited a mobile home in California as substandard for not being tied down. In response, the PHA informed HUD that tiedowns were unnecessary in view of prevailing winds in the area. The PHA further argued that neither city, county, nor state codes require mobile home tiedowns in this community. In response to the PHA, HUD insisted on a detailed analysis by the city to prove tiedowns were unnecessary. However, HUD did not provide criteria to the PHA for making such a determination. This matter had not been resolved at the time we completed our field-work.

5. The emergency exit standard should be clarified. The Federal standard requiring an emergency exit is vague and has caused confusion about what constitutes acceptability. Section 8 standards require that "The building shall provide an alternate means of egress in case of fire (such as fire stairs or egress through windows)." However, the standards contain no further clarification on the acceptability of emergency exits.

HUD inspectors cited four homes as substandard because of inadequate emergency exits. The following two examples demonstrate the standard's vagueness. These examples concern emergency exits from multistory buildings and raise the following questions: Are second story windows adequate emergency exits? Should a person confined to a wheelchair live in an upper-story apartment?

--Example A: The only alternate exit from this townhouse in Georgia was through second-story windows. A potential alternate exit from the ground floor was blocked with furniture. The HUD inspector considered second-story windows inadequate for an emergency exit because the family's four children, three of which were under 3 years old, should have access to an emergency exit on the ground floor. The PHA official however, said Federal standards do not require emergency exits on ground floors.

Example B: There were no usable emergency exits for this elderly handicapped tenant living in a third-floor apartment in Illinois. The tenant was confined to a wheelchair. The HUD inspector said emergency exits were inadequate in case of fire because the tenant could not use the emergency stairway available to

other residents of the apartment building. The elevator, according to officials of the local fire department, was not to be used during fires. The tenant wished to remain on the third floor to feed the birds resting on her window sill. PHA officials told us it never occurred to them that the elevators would be inoperable during a fire. They also said the possibility of moving this tenant to the ground floor would be explored.

Another needed clarification relating to this standard involves security bars over windows. If security bars are not equipped with a quick release for emergency exit, occupants may be trapped in the event of fire. Fatalities have occurred from this hazard. Although none of the 160 homes inspected during our review had this problem, several section 8 homes we visited in California while designing our review had bars fastened over windows without safety opening devices.

6. The site and neighborhood standard should be clarified. PHAs had different opinions on the need to inspect facilities and areas near the section 8 home. While the standard contains certain requirements about the site and neighborhood, about half the PHAs we visited did not thoroughly inspect these areas. HUD has not defined the extent to which sites and neighborhoods should be inspected.

Section 8 standards require that

"The site and neighborhood shall be reasonably free from disturbing noises and reverberations and other hazards to the health, safety, and general welfare of the occupants. The site and neighborhood shall not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks, steps, instability, flooding, poor drainage, septic tank back-ups, sewage hazards or mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards."

Officials of 10 of the 16 PHAs we visited said they did not check all auxiliary facilities. Specific comments of officials at the 10 PHAs included:

- Better direction is needed on the types of auxiliary facilities that should be inspected (three PHAs).
- The PHA is only concerned with inspecting the unit since this is where tenants spend the majority of their time (two PHAs).
- Central hallways, main entrances, and elevators are inspected but not laundry rooms (one PHA).

--Whatever is accessible to the tenant is inspected, except laundry rooms in large apartment complexes (one PHA).

--Annual inspections of apartment sites by the city is considered adequate (one PHA).

--Garages are not inspected because of infrequent tenant use (one PHA).

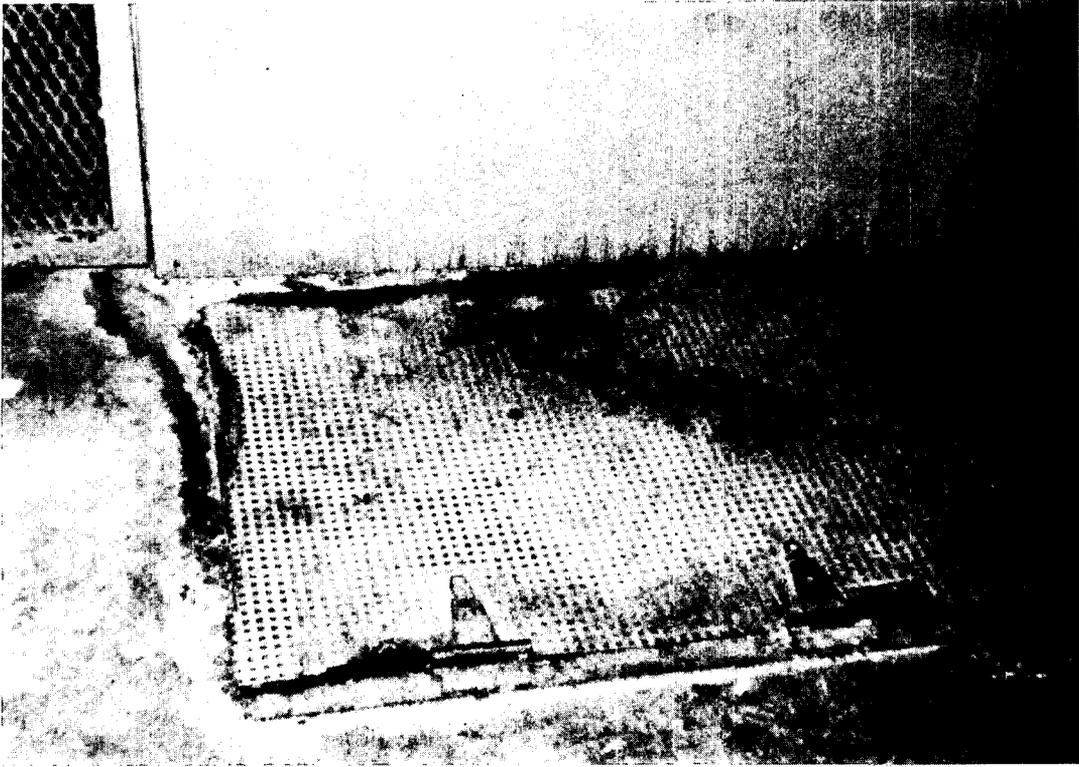
--The general project site is not a concern (one PHA).

For two homes cited as substandard by HUD inspectors, problems concerned the standards relating to inspection of the site and neighborhood. At one apartment complex in Georgia, the HUD inspector cited the laundry room as dangerous. The room was dimly lit, and a rusty metal plate, covering a 3-by 3-foot hole in the walkway, was loose and unlevel with the floor creating a safety hazard. (See photo on p. 38.) Another apartment site in Georgia was also cited for hazardous conditions. Stone walls had deteriorated, leaving large rocks on the walkway which posed hazards to playing children. Garbage and construction debris were also noticeable throughout this complex.

An official of the PHA which approved these apartments said the general condition of an apartment complex is not of concern because only the individual unit and its immediate facilities are inspected. According to the PHA official, laundry facilities outside a section 8 home are not inspected because Federal housing standards do not require such inspections.

7. Federal standards should state whether pressure and temperature relief valves and discharge lines are required on water heaters. Federal standards are silent on the need for water heater pressure and temperature relief valves and discharge lines. These features can be installed on a water tank as a safety device in the event excess pressure builds up, causing it to rupture. HUD officials at two field offices we visited inspected for pressure and temperature relief valves. Officials at the other three HUD field offices said, while such safety devices are a good idea, they are not checked because they are not required by the standards.

Eight homes in our sample were cited as substandard by the HUD inspectors at three PHAs in California and Arizona for lack of pressure and temperature relief valves or discharge lines. Eight of the 16 PHAs we visited said they did not check for these safety devices. Officials of four of these PHAs said they were unaware that they were supposed to check for them. Officials of the other four PHAs said they did not know of the potential hazard or thought it too remote to worry about.



**HAZARDOUS METAL PLATE ON LAUNDRY ROOM FLOOR IN GEORGIA.**

8. Federal housing standards should address minor maintenance and cosmetic defects. Federal standards do not clearly define whether housing should be reasonably free from cosmetic and/or minor maintenance defects. While the standards call for most required housing features to be in proper operating condition, no specific mention is made if proper operating condition permits minor maintenance defects. In addition, cosmetic type conditions are not specifically addressed by the standards.

As explained in chapter 1, this report does not consider minor maintenance or cosmetic defects as substandard conditions. However, minor maintenance or cosmetic defects were cited by HUD inspectors for correction at almost two-thirds of the 160 homes inspected. A total of 238 minor maintenance or cosmetic defects were cited in 99 of the homes. The citations included defects such as dirty carpeting, minor cracks in the home's foundation or stucco, exterior downspouts missing, bathroom basin stoppers missing, window screens torn, bathroom toilet tank top and handle requiring replacement, water stained walls and ceilings, and dripping faucets. (See photos of minor maintenance or cosmetic type defects on pp. 40 to 42.)

Three PHAs offered the following comments which demonstrate their uncertainty over or disagreement with inspecting for minor maintenance and cosmetic defects:

- Cosmetic or minor maintenance defects cited by the HUD inspector either were not prohibited by or reflected varying interpretations of the standards. Items such as landscape improvements and painting obviously improve overall housing quality but are not required by the program's standards. This PHA's policy with respect to such items is to encourage but not require owner action.
- Standards do not mention such items as sash cords, bathroom caulking, painting, wallpapering, and general cosmetic type conditions. If defective, such items do not prevent the unit from being decent, safe, and sanitary under section 8 standards.
- More precise guidelines are needed on the acceptability of cosmetic housing defects such as dirty walls, needed decorating, and old bathroom fixtures.



**WATER-DAMAGED BEDROOM WALL IN MASSACHUSETTS.**



**LIVING ROOM CEILING PEELING IN ARIZONA.**



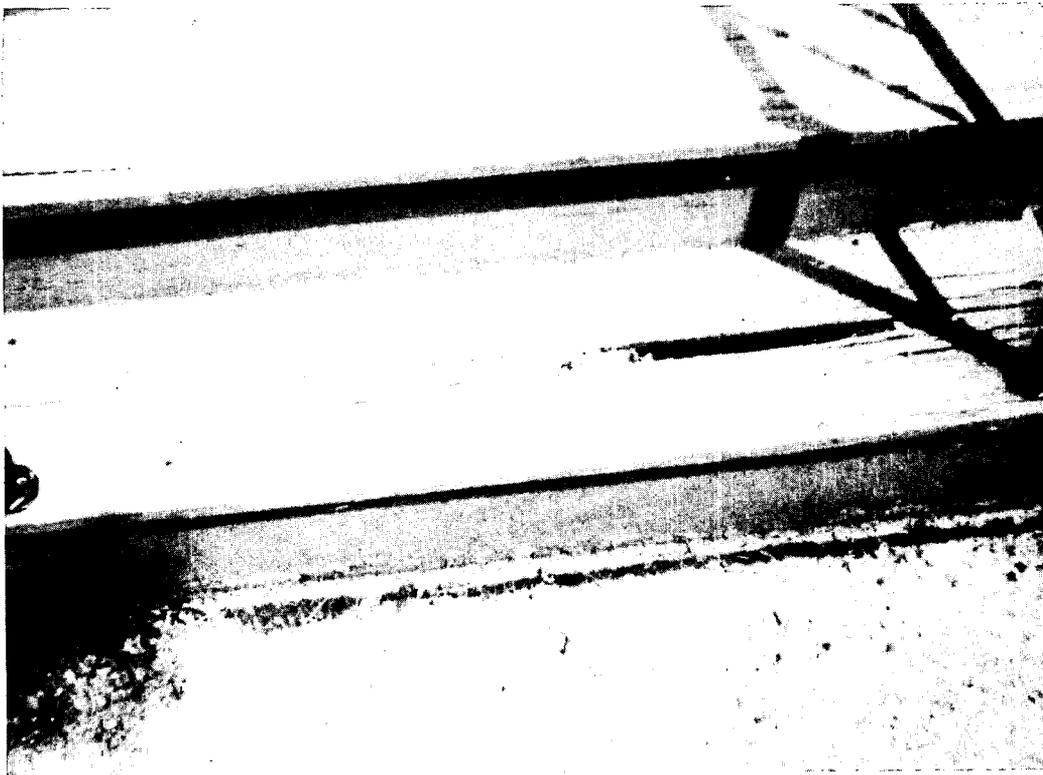
**DRIPPING FAUCET IN ARIZONA.**



**MISSING HALLWAY FLOOR TILE IN MASSACHUSETTS.**



**DAMAGED SIDING AND DOOR FRAME IN GEORGIA.**



**ROTTED, BROKEN BOARD ON FRONT STEPS IN MASSACHUSETTS.**

PHA INSPECTION AND APPROVAL  
PRACTICES NEED TO BE STRENGTHENED

Inadequate PHA inspection and approval practices contributed to some of the substandard conditions we identified. Some PHA inspectors were not adequately trained or experienced to inspect section 8 housing. Incomplete inspection checklists were also identified to be a problem contributing to overlooking substandard housing conditions. In addition, contrary to HUD regulations, homes known to be substandard by PHAs were conditionally approved for the program.

For 18 homes inspected, PHA officials pointed to the following weaknesses in their inspection and approval process which caused them to overlook 27 substandard conditions. Some homes are listed more than once when multiple weaknesses were identified.

<u>Weaknesses in inspection and approval practices</u>	<u>Number of homes</u>
Lack of trained or experienced inspectors	14
Incomplete inspection checklists	8
Unauthorized conditional approval of substandard housing	4

Some of the substandard conditions overlooked in the 18 homes included lack of adequate heat, handrail or step hazards, electrical problems, fire hazards, cooking stove defects, absence of a bathroom basin, and unlockable windows and doors.

Lack of trained or experienced inspectors

Five PHAs attributed some of the substandard conditions identified in 14 homes to the lack of inspector training or experience. PHAs are not required by section 8 regulations to use trained and experienced personnel for inspecting subsidized housing. However, HUD does provide funds each year to PHAs for administering the program, including inspections, based on the number of section 8 units under lease.

The following example at one PHA we visited in California illustrates the need to improve the training and experience of inspectors.

- Seven of the 10 homes inspected at this PHA contained substandard conditions. However, according to the PHA director, inadequately trained inspectors overlooked substandard conditions at these homes. PHA officials

attributed the high rate of substandard homes approved by the PHA to the inspectors' inability to recognize violations of HUD standards. The inspectors had no construction experience or training and were performing other PHA duties in addition to inspecting homes. The PHA inspectors did not cite the following substandard conditions at the seven homes which HUD inspectors cited as substandard: unapproved private water supply, ununlockable doors and windows, inoperative bathroom fan, blocked emergency exit, missing electrical cover plate, unapproved sewage disposal system, fire hazard from accumulated trash, stove burners inoperable, and portion of vent pipe missing on water heater. (See photo on p. 45 of water heater with a portion of the vent pipe missing.) The PHA director said proper enforcement of Federal housing quality standards requires that PHA inspectors have knowledge and experience in a broad range of disciplines, i.e., building codes, fire safety, and public health. However, section 8 administrative funds are not sufficient to hire professional inspectors, and therefore the PHA used personnel involved in other program aspects for inspections.

The other four PHAs which cited the lack of inspector training or experience as reasons for overlooking substandard conditions offered the following comments:

- The PHA inspector did not check all areas of the home. In addition, PHA officials had not adequately studied the section 8 standards and were unaware of certain requirements. HUD had provided little program guidance and reliance was placed on other PHAs for guidance.
- The PHA inspector had become too lenient and did not notice a poorly installed kitchen floor. The PHA should work with the inspector to explain program objectives more fully. In addition, site hazards were overlooked because the inspector did not check all accesses to the building. Inspection procedures will be changed to ensure more thorough inspections.
- The inspector did an inadequate job and has been fired.
- The inspector did not notice that handrails were needed on third-floor stairs and around the top of a stairwell. (A photo of this condition was presented on p. 22.)



**PORTION OF WATER HEATER VENT MISSING. TEMPORARY CONNECTION MADE WITH ALUMINUM FOIL IN CALIFORNIA.**

## Incomplete inspection checklists

Incomplete inspection checklists at three PHAs contributed to overlooking some substandard conditions in eight homes. Officials of these PHAs told us that improved checklists would help ensure more thorough inspections of leased homes. In addition, as pointed out by one of the Urban Institute study contractors, the inspection checklist format and content are important and immediately relevant to the enforcement of standards because the form is actually carried and applied by inspectors during the inspection process.

Our analysis of inspection checklists used by the 16 PHAs we visited showed that most were inadequate to ensure enforcement of Federal housing quality standards. Generally, the checklists were incomplete and did not encourage strict and thorough housing inspections. Checklists which do not contain all required housing quality criteria in effect allow inspectors to set housing standards.

Of the 16 PHAs, 5 used the HUD inspection booklets which were prepared for use by tenants and owners. The 11 other PHAs used checklists other than the HUD inspection booklet. We compared the PHA inspection checklists to the 12 general criteria and the separate specific components of the HUD standards. We did not analyze whether checklists contained the 13th general criterion relating to congregate housing because it had been added recently to the program standards.

Eight of the 16 checklists, including the HUD inspection booklet used by five PHAs, mentioned all 12 HUD general criteria. However, the checklists used by the other eight PHAs mentioned from 4 to 11 of the 12 HUD general criteria.

In addition, few of the 16 checklists contained all of the specific components of the general criteria. Criteria components most frequently absent included the requirements for mobile home tiedowns; temporary storage of food wastes; living and sleeping room of appropriate size for each of two persons; security of access to the unit; elevator safety and operation; adequacy of air circulation; freedom from water contamination; clean interior air; and the absence of lead based-paint, sewage, and fire hazards.

Also, the HUD inspection booklet used by five PHAs does not mention the required criteria component of mobile home tiedowns or the adequacy or working order of several specific components including toilets; sleeping room windows; bathroom exhaust vents; and food storage, preparation, and serving space.

In addition to the completeness, other aspects of the checklists can influence an inspector's effectiveness. In

this regard, the checklist formats used by the 16 PHAs generally did not require (1) prioritizing substandard conditions or indicating urgency for corrective action and (2) describing the substandard condition or justifying the citations. Only 1 of the 16 PHAs required its inspectors to indicate the severity of the substandard condition. Five PHAs required descriptions of the defect, nine called for suggesting corrective action, but none required inspectors to justify their citations.

#### Unauthorized conditional approval of substandard housing

Four homes HUD inspectors identified as containing substandard conditions at three PHAs we visited were conditionally approved by the PHAs contrary to Federal regulations. The three PHAs had identified substandard conditions during their initial inspections of the units but did not ensure these conditions were corrected before approving the lease and signing section 8 contracts with the owners.

The practice of conditionally approving leases is not permitted under section 8 regulations. HUD regulations require that before contracts are executed with owners for units containing identified substandard conditions, the unit must be reinspected to ascertain that the necessary work has been performed and that the unit is decent, safe, and sanitary.

Officials at two PHAs told us they conditionally approved these units because they assumed the owners would correct the substandard conditions and relied on tenants to report uncorrected defects. Also, one PHA official said adequate followup procedures had not been established. The following is an example of a substandard condition in a section 8 home which the PHA inspector identified during his initial inspection and still existed at the time of our inspection.

--The ceiling in an apartment in Georgia had deteriorated and, according to the HUD inspector, was a safety hazard because condensation in the central air conditioning vents was leaking on the top of the ceiling. Hallway ceilings at two other section 8 apartments in this complex had collapsed from similar condensation, according to a PHA official. The PHA inspector identified this defect during the initial inspection but failed to follow up with the apartment manager to ensure corrective action. A section 8 contract was signed with the owner and 2 weeks later, at the time of our inspection, this safety hazard had not been corrected.

An Urban Institute study also pointed out that some section 8 homes were being conditionally approved. They found that in three HUD regions, 21 of the 30 PHAs interviewed granted conditional acceptances. Also, of the 21 PHAs, only 4 conducted followup inspections to ensure that the defects had actually been corrected.

GUIDANCE NEEDED ON HOUSING  
QUALITY AND CONCERNS FOR  
HOUSING NEEDS AND PRODUCTION

Conflicting program concerns seemed to contribute to the approval of 15 substandard homes at eight PHAs we visited. These substandard homes were approved because PHA officials were concerned with some families' immediate need for housing, tenants who did not want to move, and pressures to lease section 8 units. In some cases, PHA officials told us that these concerns became more important than strict enforcement of Federal housing quality standards. In other cases, evidence was available which indicated that PHAs may have overlooked substandard conditions in order to accommodate individual family needs and meet program production goals.

The following table presents the number of homes in which housing needs or production pressure was given priority over housing quality.

	<u>Number of homes</u>
Participant had an immediate need for housing or assistance	8
PHAs were under pressure to rent section 8 homes, but finding suitable housing within HUD's rent ceiling was difficult	4
Participants did not want to move or had a particular neighborhood preference	3
	—
Total	<u>15</u>

The substandard conditions identified at the 15 homes included, among other things, the potential of lead-based paint poisoning; inadequate heating; unlockable windows or doors; electrical problems; inadequate food preparation, serving, or storage space; kitchen stove operating improperly; structural weaknesses; and railings or stairs weak or missing.

Participants had an immediate need  
for housing or assistance

A family's need for immediate housing or rental assistance was considered by five PHAs when approving leases. As a result, the quality of leased housing suffered because the homes were located hurriedly or PHAs overlooked substandard conditions in order to accommodate the tenants' needs or wishes. Two examples of this situation follow.

Example A: Concern to find immediate housing for a participant apparently caused a Georgia PHA to approve a substandard apartment. According to PHA officials, the participant, a 21-year old mother, had been living with her family in overcrowded conditions and had no furniture of her own. The public health service would not allow her to bring her premature baby home from the hospital unless she found suitable quarters. The PHA found an apartment for this family which, according to the PHA officials, was the only available furnished unit in the area within HUD's rent ceilings. Based on the PHA's expressed desire to help the mother leave the hospital and the obvious nature of some substandard conditions, the PHA apparently overlooked the substandard conditions. The mother and her 3-year old child and baby had lived in this two-bedroom duplex for 10 months at the time of our inspection. Substandard conditions cited by the HUD inspector which were identified by the PHA inspector during the initial inspection included:

- The home was heated by unvented gas room heaters which are prohibited by section 8 standards. The tenant was told by hospital officials to keep her baby warm. When following this advice, she found that she could not regulate the heaters, which caused the interior of the home to be covered with soot.
- The kitchen serving space only had room for a 2-by 3-foot table and two chairs. The table was wedged into the serving area with one chair backed up against a door which opened into the living room. Access to the food serving area from the kitchen was limited to a 2-foot opening. The only other kitchen entrance was through the bathroom.
- Peeling interior paint presented a safety hazard because of the potential for lead-based paint poisoning. This duplex was built before 1950 when lead-based paint was commonly used. PHA officials said the duplex was supposed to have been painted but the painter did not complete the job.

Example B: Concern for a tenant's financial need caused a PHA in Illinois to approve an apartment which, according to the HUD inspector, clearly violated housing quality standards. The PHA approved this studio apartment knowing that it was substandard. The 28-year old tenant had been recently blinded and was in dire need of rent subsidy assistance. Since this was a college town, there was a shortage of housing during the fall when the apartment was approved. The tenant had received assistance in this apartment for 8 months at the time of our inspection. After our inspection, the PHA told the tenant to move because his apartment violated HUD's standards. Substandard conditions which existed when the PHA approved this home included:

- Kitchen and bathroom facilities were shared with a tenant from another apartment.
- Cockroach infestation.
- A hole in the bathroom wall created an accessway for vermin.

Production pressures and  
low rent ceilings

According to officials of 3 of the 16 PHAs we visited, production pressures and low HUD rent ceilings caused them to approve substandard housing. Under these circumstances, large families had the most difficulty in finding suitable housing within the rent ceilings, according to these PHAs.

An official from one of the three PHAs said HUD initially applied pressure to lease section 8 units. As a result, the PHA approved a home too small for a family because of difficulty in finding large homes in the area within HUD's rent ceilings.

An official from the second PHA expressed concern about pressures to use its section 8 allocation, especially since program rent ceilings were too low to find acceptable quality housing. The number of homes available to large families was extremely limited, and vacant large units within the rent ceiling were usually of borderline quality. The only alternative for the family living in the home cited by HUD's inspector as substandard, according to PHA officials, was to leave the family in an old, overcrowded apartment of much lower quality.

Comments by officials of the third PHA regarding production pressure and low rent ceilings are included in the following example.

- A substandard four-bedroom house was approved in California because of pressures to meet housing production goals and low rent ceilings compared to

prevailing rents in the community. In addition, a low-vacancy rate prevented the participants from finding a suitable house. This PHA was reluctant to insist that defects be corrected for fear the landlord would drop out of the program. According to PHA officials, three- and four-bedroom homes were hard to find and the landlord had granted them a big favor by renting to section 8 participants. When the family moved in 27 months earlier, the following substandard conditions existed:

- Temporary walls in the living room which formed a fourth bedroom had enclosed the wall heater, preventing adequate heat circulation throughout the home. This room had no exterior windows for ventilation or an emergency exit.
- The rear entrance door and lock were inadequate, allowing easy break-in.
- The wall heater cabinet was not securely attached and created a safety hazard should it fall.
- A buried extension cord from the house to a backyard shed presented the threat of fire or shock should it be cut or short-circuited. (See photo of this condition on p. 52.)

One of the Urban Institute reports also discussed production pressures on PHAs. The report pointed out that a conflict exists in the section 8 program design. On one hand, a major goal is to improve participants' housing quality; this encourages strict inspection. On the other hand, PHAs are under pressure to approve leases at the fastest possible rate, an objective that encourages flexibility in the inspection process. Thus, the major problem for recipients, according to the report, has been finding an available unit that will pass inspection, have enough bedrooms for the household, and still be under the rent ceiling.

In addition, our report entitled "Leased-Housing Programs Need Improvements in Management and Operations," (July 11, 1975, RED-75-380), on the section 23 leased housing program, also concluded that production pressure was one cause for subsidizing poor quality housing. In that report we pointed out that PHA officials told us that HUD emphasized leasing as many units as possible to achieve congressional housing production goals.

Participants unwilling to move or preferred a particular neighborhood

Some substandard conditions were overlooked by three PHAs we visited because of consideration for tenant housing



**BURIED EXTENSION CORD IN CALIFORNIA.**

preferences. These tenants were either willing to live with the substandard conditions in order not to move or wanted to live in a particular neighborhood where standard housing was unavailable.

The premise that some subsidized tenants prefer location to housing quality is supported by findings of HUD's Experimental Housing Allowance Program. This experiment found that some elderly persons, or other families attached to their neighborhoods, simply refused to move. Some local agencies overlooked flaws in housing units so that participants could remain in the location they preferred. As a consequence, the experiment found that some families were permitted to occupy units classified as decent, safe, and sanitary where such classification was doubtful.

Preference for location over housing quality can result in a problem for program administrators because many section 8 participants have elected not to move. Of the 160 participants in our sample, 85 did not move when granted section 8 assistance. One of the Urban Institute studies also found that the majority of section 8 participants did not move when entering the program.

The following example of a substandard home identified during our review illustrates that tenant preferences can adversely influence strict PHA enforcement of housing quality standards.

--A two-bedroom motel unit in Arizona was cited as substandard and totally unsatisfactory for section 8 assistance, according to the HUD inspector. The PHA agreed and stopped payments to the owner. The unit was in a motel which was undergoing rehabilitation and conversion to apartments after being gutted by fire. No other units were yet occupied, and rehabilitation and conversion of this unit was not scheduled until the other units were rehabilitated. The lease was approved to accommodate the family's wishes to live in a particular neighborhood. The 18-year old tenant, mother of children ages 1 and 3, selected this unit because it was in a Hispanic community where she felt comfortable because of language and social ties. The neighborhood was old and rundown, and this unit was the best available in that area within program rent ceilings, according to PHA officials. The tenant said she was happy to have found this unit as it was an improvement over her previous housing and therefore she had not spoken to the owner about the defects. Substandard conditions cited by the HUD inspector, which existed when the family moved in 2 months earlier, included:

- Construction debris around the motel site posing safety hazards, especially for the small children. (See photo on p. 55.)
- The only window large enough for emergency exit was wired shut because it had no lock.
- Food preparation and storage space was inadequate, causing the tenant to place the toaster on the sink dangerously near the water faucet.
- The stove pilot light did not work creating a safety hazard if accidentally left on.
- The oven door could not be closed properly, allowing heat to escape.
- An electrical outlet cover plate was missing in the children's bedroom, creating a safety hazard.

LANDLORD AND TENANT MAINTENANCE  
RESPONSIBILITIES NEED TO BE EMPHASIZED

Substandard conditions in 36 homes inspected at 12 PHAs we visited occurred after the last PHA inspection. These defects were attributable to normal wear and tear, weather damage, and/or tenant damage or poor housekeeping practices as listed in the table below.

	<u>Number of homes</u>
Unmet landlord maintenance	23
Tenant damage and/or poor housekeeping	14

Our determination that these defects occurred after the last PHA inspection was based on the HUD inspectors' opinions and comments made to us by PHA officials and tenants. Substandard conditions identified included such items as electrical problems; roach infestation; trash accumulated in home, causing fire or safety hazards; defective steps and handrails; stove or oven inoperable or missing; inadequate bathroom ventilation; a plugged bathtub; and windows or doors unlockable or broken.

Unmet landlord maintenance

At 10 PHAs we visited, at least one substandard condition in each of 23 homes we inspected existed because the owner had not properly maintained the unit. Program regulations require that owners agree to (1) maintain and operate the unit and related facilities so as to provide decent, safe, and sanitary



**CONSTRUCTION DEBRIS SAFETY HAZARDS IN ARIZONA.**

housing and (2) provide all the services, maintenance, and utilities set forth in the lease. If the owners do not meet one or more of these obligations, the PHA is authorized to stop housing assistance payments to the owners.

Some of the substandard conditions identified during our review should have been corrected prior to our inspections. For example, two homes in Massachusetts were damaged during severe snowstorms. One had a broken brick on the front entrance steps, posing a safety hazard to the 85-year-old tenant. The other had missing front entrance bricks and a loose porch handrail. These safety hazards had not been corrected by the following summer months when we made our inspections. The first tenant had spoken to the landlord about the defect, but no corrective action was taken. The second tenant said he was not bothered by the defect and had not reported it to the landlord.

The following example describes a section 8 home we visited which became substandard after the PHA inspection.

- The HUD inspector told us this home was not decent, safe, and sanitary. (See photos of this home on p. 57.) Substandard conditions cited by the HUD inspector which occurred after the last PHA inspection resulted from complete renovation of the home after the owner discovered termites. Neither the owner nor the tenant informed the PHA of this major renovation which was in process at the time of our inspection. The following substandard conditions were found:
  - The home had no bathroom. The toilet was in an open space between the kitchen and bedrooms; there was no sink or bathtub; and a makeshift shower in the basement did not work.
  - Inside wallboards and ceiling boards had been removed, exposing insulation.
  - The back porch was rotten with missing and loose boards and could not be used safely.
  - Live electrical wires from the renovation were lying on the floor and hanging from the ceiling.
  - Windows were unlockable.
  - Planks with exposed nails were lying in the house and on the ground outside, easily accessible to children.
  - Basement steps, about 8 feet in height, were loose and support railings were missing.



HOUSE UNDERGOING RENOVATION DUE TO TERMITE DAMAGE IN ILLINOIS.



CEILING AND WALL BOARDS REMOVED FOR REPAIR OF TERMITE DAMAGE IN ILLINOIS.

--The kitchen stove, refrigerator, and cabinets had been moved to the basement where there was no place to serve food.

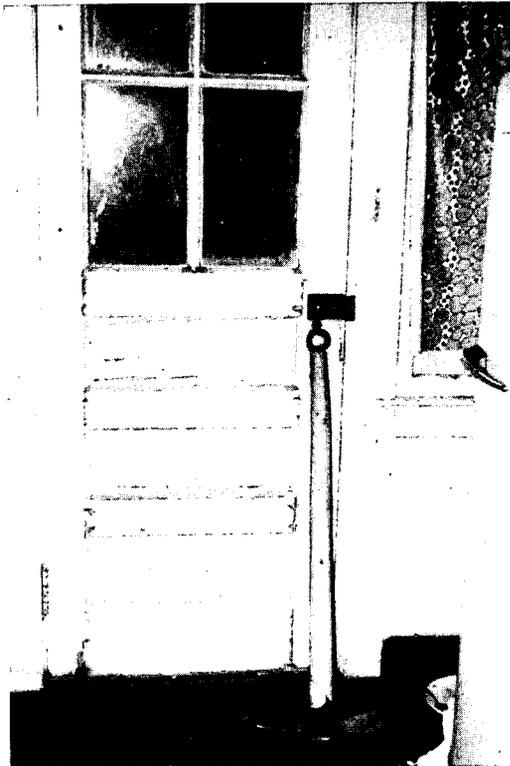
### Tenant damage and/or poor housekeeping

Substandard conditions cited by the HUD inspectors at eight PHAs we visited were caused by tenant damage or poor housekeeping practices. Program participants are not required by section 8 regulations to keep their leased housing in a decent, safe, and sanitary condition. In addition, the regulations do not require PHAs to ensure proper tenant housekeeping. Further, PHAs do not have express regulatory authority to cancel section 8 assistance for participants who abuse their leased housing.

Officials at three of the eight PHAs expressed concern about the lack of authority or guidance from HUD to terminate section 8 assistance to tenants who abused their rental housing. In contrast, one PHA official said the PHA withdraws section 8 assistance to tenants who have been evicted for poor housekeeping. One HUD field official told us he was concerned about what would happen if a tenant took court action after being removed from the section 8 program because of poor housekeeping.

The examples below illustrate some of the unacceptable housing conditions caused by section 8 tenants.

Example A: This four-bedroom house in Georgia was in unacceptable condition only 1 month after the PHA's annual inspection. The tenant's poor housekeeping and apathy, according to PHA officials, caused most of the substandard conditions cited by the HUD inspector. The PHA director became aware of this tenant's poor housekeeping and damage to the home during the annual inspection. PHA officials and the owner counseled the tenant about housekeeping but these efforts were not effective because, according to the PHA official, conditions we identified at the home had worsened since the annual inspection. At the PHA's request, the owner had converted this duplex to a single family home to accommodate a large family. The director became concerned after hearing the results of our inspection that the owner would reconvert to a duplex and not rent to section 8 families. Substandard conditions cited by the HUD inspectors 12 months after the family moved in included the following. (Photos of some of the conditions in this home are shown on p. 59.)



**PICKAX HOLDING EXTERIOR DOOR CLOSED IN GEORGIA.**



**DIRTY DISHES AND TRASH ON KITCHEN FLOOR AND ROACHES IN CUPBOARD IN GEORGIA.**

--The refrigerator, owned by the tenant, had not worked for 2 weeks. The tenant made no attempt to have it repaired or to have the owner reconnect one of two additional refrigerators in the apartment which the tenant was using to store books.

--Food from at least the previous evening lay around the kitchen and was stored in the oven. Trash was in, around, and under the house. Grime was evident on the floors.

--The home was infested with cockroaches.

--An exterior door, broken by the tenant, was unlocked and kept shut with a pickax.

Example B: Sanitation problems in this home in Illinois were created by a father and his 20-year-old daughter. About 3 months after the PHA inspection, the HUD inspector found substandard conditions caused by the family, including cockroach infestation, dirty clothes on floors, animal urine odors, torn furniture with exposed nails, dirty and smelly carpeting, and caked dirt on the bathroom sink. The landlord told us that he recently exterminated for cockroaches but unless the tenant improved housekeeping, it will do little good. The family had received section 8 assistance for 15 months at the time of our visit. PHA officials knew the tenants were poor housekeepers and previously had threatened them with removal from the program if they did not improve. However, the officials told us they had not intended to cancel section 8 assistance because of uncertainty about whether PHAs have that authority. According to the PHA official, assistance can be terminated only after the landlord had evicted the tenant.

## CONCLUSIONS

Leased section 8 housing which contains violations of Federal housing standards adversely affects the program's effectiveness in providing decent, safe, and sanitary housing to lower income tenants. HUD now has about 4 years' experience with the program which should enable it to improve the overall quality of existing section 8 housing by further defining program guidance to PHAs.

The Federal housing quality standards, while perhaps a good initial framework for judging the adequacy of potential section 8 housing, need to be refined and expanded based on program experience. Unless this is done, some housing quality standards may continue to be applied inconsistently and enforced inadequately by PHAs and HUD field

personnel. In addition, it is unfair for HUD to criticize PHAs' enforcement of housing quality and detrimental to the program's effectiveness when standards are inadequately defined or when HUD inspectors use supplementary standards which have not been made known to PHAs.

PHA inspection and approval practices need to be improved if more section 8 homes are to meet Federal standards. Experienced and trained PHA personnel should be used for inspecting section 8 housing. Also, inspection checklists should be comprehensive and provide for priorities and justifications of inspectors' opinions on substandard conditions.

We recognize that PHA officials must at times consider factors other than housing quality, such as the immediate need for housing, when deciding whether to approve homes under the program. Compassion for participants' social and financial plights or personal desires is an admirable trait to bring to the administration of the program. Also, the desire to demonstrate a good rate of program implementation is a prime interest of program managers. PHAs at times face the dilemma of trying to meet opposing program concerns--satisfying participants' immediate need or desires for housing assistance and leasing section 8 housing rapidly to meet production goals versus subsidizing only decent, safe, and sanitary housing. The questions which remain are how to strike a balance between these practical and social considerations in relation to housing quality enforcement and whether substandard housing provided because of immediate need should become permanent housing. Housing quality initially ignored because of these reasons should not be ignored indefinitely.

Some section 8 landlords have not maintained leased housing adequately. To improve landlord maintenance, PHAs should be encouraged to counsel owners on their responsibilities and use existing authority to cancel section 8 contracts when owners do not maintain housing in a decent, safe, and sanitary condition.

Section 8 tenants also have a responsibility relating to the objective of decent, safe, and sanitary housing and assistance should be withdrawn when tenants abuse section 8 housing. Continuing assistance to tenants who abuse section 8 housing while working against the congressional goal of decent, safe, and sanitary housing is unfair to other eligible families waiting for housing assistance and damages the image of the section 8 program and HUD. HUD needs to establish a policy for canceling section 8 assistance to participants whose house-keeping practices are contrary to the objective of decent, safe, and sanitary housing.

## RECOMMENDATIONS

We recommend that the Secretary of HUD take the following actions to improve the guidance provided PHAs on the quality of housing leased under the section 8 existing program:

- Clarify the section 8 housing quality standards by defining (1) what represents adequate space for preparing, serving, and storing food, (2) whether or under what conditions kitchen gas stoves and portable electric heaters are acceptable for heating homes, (3) what type of emergency exits are acceptable and which are not, and (4) auxiliary site and neighborhood facilities that should be inspected.
- Expand the section 8 housing quality standards to state (1) whether or not leased housing should comply with the Natural Gas Pipeline Safety Act and if water heaters should have pressure and temperature relief valves and discharge lines and (2) the extent to which section 8 housing should be free from or may contain cosmetic and minor maintenance defects.
- Study the housing quality standards requirement for mobile home tiedowns in relationship to the rationale for not requiring tiedowns in other HUD mobile home programs. Based on this study, delete the requirement or establish criteria on when it should be waived.
- Provide guidance to PHAs on the experience and training needed to qualify an individual as a PHA housing inspector.
- Develop an inspection checklist for PHA inspectors designed to highlight all section 8 housing quality standards. To improve its effectiveness, the checklist should require that housing defects be justified and the severity or urgency for corrective action should be assessed.
- Considering that substandard homes have at times been knowingly approved for section 8 subsidy because of the need for housing, participant desires, or production goals, either (1) issue instructions approving this practice which specify the types of housing defects which can be conditionally approved and require PHAs to ensure correction of the substandard conditions within specified time frames or (2) reemphasize to PHAs that substandard housing is never acceptable under the section 8 existing program, including housing that is leased because of concerns for the need for housing, tenant location preferences, or production goals.

- Encourage PHAs to counsel owners on their maintenance responsibilities and inform them that section 8 contracts will be canceled, as authorized by program regulations, if owners do not maintain leased housing in a decent, safe, and sanitary condition.
- Develop a policy for PHAs pointing out that program participants are also responsible for keeping their housing in decent, safe, and sanitary condition. To be effective, this policy should include procedures for PHAs to follow in canceling assistance to program participants whose actions result in rendering housing not decent, safe, and sanitary.

#### AGENCY COMMENTS AND OUR EVALUATION

HUD agreed with our recommendations. Some of the planned and ongoing actions directed at these recommendations include:

- Issuing a PHA Administrative Guide to clarify the present housing quality standards including (1) guidance for determining what represents adequate space for preparing, serving, and storing food, (2) specifically prohibiting kitchen gas stoves and portable electric heaters as acceptable for the purpose of heating homes, (3) guidance for determining the adequacy of emergency exits, and (4) guidance regarding the site and neighborhood conditions which should be considered. After HUD issues the PHA Administrative Guide, it plans on training HUD field staff and PHAs on standards interpretation and implementation.
- Considering whether the current regulations on housing quality should be revised to conform with the National Gas Pipeline Safety Act. Also, HUD plans to require that water heaters have pressure and temperature relief valves and discharge lines. The PHA Administrative Guide is to provide more guidance on the extent to which section 8 existing housing units should be free from cosmetic and minor maintenance defects.
- Studying the desirability of the mobile home tie-down. As a result of this study, HUD plans to specify criteria for the use of tiedowns (consistent with other HUD standards for mobile homes), clarifying possible conditions for waivers.
- Providing additional guidance and training to PHAs and HUD field staff to assure consistency in understanding the standards. The PHA Administrative Guide is to provide additional guidance to improve the

inspectors' judgment in relating the unit's physical condition to the HUD acceptability criteria. In addition, HUD will provide more guidance in the PHA Administrative Guide on experience and training required of PHA inspectors.

- Revising the inspection checklist, which is to be used by PHAs in determining whether their units meet housing quality standards. The checklist will include space for determining the severity of the violation and the time frame for correction. The form is to be fully explained in the forthcoming PHA Administrative Guide.
- Emphasizing the Department's position that units must fully meet HUD housing quality standards before being leased under the section 8 existing program, despite concerns for meeting production goals or emergency housing needs.
- Emphasizing to PHAs, in the PHA Administrative Guide, their responsibility for (1) informing owners in owner workshops and at the time of lease approval of owner responsibility for insuring that units to be assisted are decent, safe, and sanitary and (2) taking prompt action under the housing assistance payments contract to withhold or stop payments or terminate the contract and relocate the family when units are found to be in violation of housing quality standards.
- Emphasizing in the PHA Administrative Guide that PHAs have a responsibility to counsel certificate holders (at initial briefings and at reexamination) about their responsibility to maintain their unit in a decent, safe, and sanitary condition.

HUD's responses to our recommendations are constructive and should improve the quality of section 8 existing housing. Regarding the last comment on tenant responsibility, HUD did not propose procedures for PHAs to follow in canceling assistance to program participants whose actions result in rendering housing not decent, safe, and sanitary. However, we discussed this matter with a HUD official who said that HUD is considering establishing procedures which will give PHAs guidance on and authority to (1) counsel program participants on housekeeping responsibilities and (2) cancel housing assistance when these responsibilities are not met, even if owners do not evict tenants.

## CHAPTER 4

### NEED TO IMPROVE HEADQUARTERS

#### MANAGEMENT OF HOUSING QUALITY

In addition to improvements in the guidance HUD provides PHAs discussed in the previous chapter, our review also showed that HUD needs to strengthen its headquarters management over the quality of section 8 existing housing to help preclude the approval of substandard housing.

We believe housing quality enforcement problems justify placing increased emphasis on the management of housing quality. Specifically, HUD needs to define more clearly headquarters management responsibility and accountability for decent, safe, and sanitary housing so that management addresses program functions relating to housing quality performance and opportunities to improve quality. Such changes will result in greater management focus on housing quality and efforts to identify weaknesses and needed improvements in housing quality.

The need for manager accountability to encourage program effectiveness was the subject of a recent GAO report. <sup>1/</sup> It cited several reports issued by the Urban Institute and the Mitre Corporation which emphasized the need for incentives and accountability for program performance and results. These reports pointed out that if program managers were accountable and rewarded for proven program results and performance, they would have an incentive to manage well, institutionalize the evaluation function, and use evaluation information to improve and document the results and performance of their programs. Presently, evaluation information will not be used unless a decisionmaker wants to use it and it happens to be available. Without incentives and accountability for program results, decisionmakers often will have no desire to request and little enthusiasm for using evaluations. These reports also pointed out that in reviewing government programs, evaluators have often seen one consequence of the lack of incentives and accountability--programs not being managed to achieve results on certain objectives.

#### MANAGEMENT RESPONSIBILITY FOR HOUSING QUALITY NOT ADEQUATELY DEFINED

Section 8 program managers at HUD headquarters have not been assigned specific responsibilities nor held accountable for ensuring that housing leased under the program was decent,

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<sup>1/</sup>"Status and Issues, Federal Program Evaluation," (Oct. 1978, PAD-78-83).

safe, and sanitary. As a result, housing quality functions relating to the overall quality of housing programwide, communications with PHAs on housing quality, and interpretation and refinement of housing standards have not been addressed by management. Also, management has given little emphasis to housing quality compared to other program functions.

Responsibility and accountability  
for decent, safe, and sanitary  
housing not specific

Headquarters responsibility for the existing section 8 program has been placed in HUD's Office of Existing Housing and Moderate Rehabilitation, specifically in the Existing Housing Division. This division is responsible for all aspects of the program, including developing policies, procedures, criteria, and guidelines for the existing housing program. It is also responsible for evaluating the effectiveness of program policies and procedures and making recommendations for improvements.

Program monitoring functions were transferred from HUD's regional offices to headquarters in HUD's reorganization of October 1977. In addition, HUD recently established an Office of Field Monitoring within the Office of Housing-Federal Housing Commissioner which, among other things, monitors field performance to determine the effectiveness and efficiency of housing operations and the overall management of housing programs, including the section 8 program.

Despite these changes, we found no evidence that a specific individual was assigned responsibilities and held accountable for certain management functions relating to decent, safe, and sanitary housing. These management functions include

- evaluating and reporting on leased housing quality programwide;
- providing guidance and useful information on housing quality to PHAs; and
- interpreting established housing quality standards and monitoring the adequacy of the standards to achieve decent, safe, and sanitary housing.

The lack of specific responsibility and accountability for this function has affected HUD's capability to evaluate the quality of housing programwide. We could find no evidence that HUD headquarters personnel were assigned responsibility for periodically evaluating and reporting on or held accountable for the quality of housing programwide. As a result, systems for evaluating and reporting on housing quality programwide

have not been established, and PHA weaknesses contributing to the leasing of substandard homes are not identified, as discussed in subsequent sections of this chapter.

According to HUD officials, the primary reason for the lack of specific responsibility and accountability for housing quality management is the lack of sufficient staff resources assigned to the existing housing program, a program with about a half million units. The Existing Housing Division has had no more than 10 professional staff members who are responsible for carrying out all of the functions associated with the existing housing program, with technical support from "specialty" units in the Office of Public Housing, for example, Technical Services Division for Housing Quality Standards.

In addition to the development of policies and procedures and their subsequent evaluation, HUD's organizational handbook lists 12 other broad management responsibilities the staff must perform. Included are such functions as responding to all correspondence for the program from the public, PHAs, and field offices; maintaining liaison with other HUD offices and divisions as well as national organizations representing PHAs participating in housing reviews and evaluations; and developing and implementing training programs for existing housing activities. The division is also responsible for all functions related to management of the section 23 leased housing program. HUD officials told us that due to the range of duties assigned to the division, it would be difficult to specialize so that some staff members could have specific responsibility for housing quality management without sacrificing other priority work.

Although headquarters program managers have not analyzed housing quality periodically, HUD has been concerned recently about whether section 8 leased housing is decent, safe, and sanitary. Two efforts were undertaken in 1978 to provide information on section 8 housing quality on a special purpose basis.

--HUD's Office of Policy Development and Research issued requests for proposals in July 1978 for a study to provide information on the extent to which the section 8 housing program (new and existing housing) is meeting some of its major goals, including housing quality. As of May 1, 1979, work on this study was in process.

--HUD's Office of Inspector General was asked by top HUD management in 1978 to audit the quality of housing leased under the section 8 existing housing program. As of May 1, 1979, work on this audit was in process.

Although these special purpose studies may be useful to assess housing quality at a particular point in time, they will not provide management with ongoing data on the program's effectiveness in leasing decent, safe, and sanitary housing. Also, the fact that special purpose studies on housing quality were commissioned indicates that section 8 program managers do not have adequate management information on housing quality results nor are they held accountable for program evaluation and enforcement of housing quality standards.

As discussed in chapter 3, guidance to PHAs is needed to deal with weaknesses which allowed the approval of substandard homes. However, this guidance and other information which is available on housing quality has not been provided to PHAs. We found no evidence that this management function was specifically assigned to a HUD headquarters individual or that any individual was held accountable for the adequacy of housing quality guidance provided PHAs.

According to HUD headquarters and field office officials we interviewed, PHA personnel have not received systematic training on housing inspection procedures. The only housing inspection training provided PHAs that these officials knew of was at meetings held by various national and local housing associations not associated with HUD or as part of training provided by field offices on various aspects of the program.

HUD has attempted to develop a section 8 handbook for PHAs but has been unsuccessful to date. HUD hired a contractor in 1975 to develop the handbook but was not satisfied with the results achieved and in 1976 decided to develop the handbook itself. Development of the handbook has been delayed, according to HUD officials, because of staffing limitations. The handbook is currently expected to be issued during 1979.

Useful housing quality information, generated from various HUD or HUD-contracted reports, has not been provided to PHAs. For example, HUD's Office of the Inspector General and the Urban Institute reports containing information on the monitoring of housing quality, inspection problems, substandard housing, and misunderstandings of section 8 housing quality standards have not been provided to PHAs.

HUD headquarters officials told us that they had not provided guidance on housing quality to PHAs because that is a field office responsibility. Field office officials said guidance and training had not been provided to PHAs because (1) their efforts were focused on executing section 8 contracts with PHAs and ensuring prompt leasing of units, (2) instructions from HUD headquarters were unclear on this, (3) PHAs use a State housing code with which PHAs are already familiar so there is no need for training, and (4) not enough section 8 program staff is available to provide guidance and training.

HUD headquarters took the first step in providing housing quality information to PHAs in January 1979. At that time, headquarters notified PHAs that units not meeting Federal housing quality standards have been found during field office monitoring. The notice pointed out to PHAs that (1) repairs must be performed before section 8 contracts are signed, (2) PHA inspections must be done carefully with all elements in the unit and site and neighborhood checked for compliance with Federal standards, (3) PHAs should use trained inspectors and provide training when experienced inspectors are unavailable, (4) PHAs must not accept marginal units unless upgraded by the owner, and (5) section 8 contracts on marginal units or units inadequately maintained should be terminated unless upgraded by the owner.

Analyses of the numerous inspections made by PHAs and HUD's field monitoring staff demonstrate the need for interpreting and refining the Federal housing quality standards. However, inspection results have not been analyzed and no individual at HUD headquarters has been specifically responsible and accountable for monitoring the adequacy of the housing quality standards.

Some of the standards which should have been clarified or expanded were discussed in chapter 3. Other aspects of the standards also need analysis to resolve problem areas and determine needed adjustments. For example, PHA and HUD field office officials raised questions about the standards during our review which we did not analyze but are listed below to illustrate the need for HUD headquarters to have an individual responsible and accountable for ensuring the adequacy of program standards.

- What precise inspection procedures are required of PHAs to ensure that leased housing is free from the potential for lead-based paint poisoning?
- Should special housing standards be established for handicapped and elderly persons since many section 8 participants fall in this group?
- Should there be a policy on how old children should be before they have a separate bedroom? One PHA official told us they allowed a family to decide whether a brother and sister of ages 9 and 10 should share the same bedroom. Another PHA official said children under 2 years of age should not have a bedroom separate from a single parent.
- Should the sanitary facilities standard be clarified to require the sink and shower to be in a private room?

- Should minimum size of rooms be specified?
- Should mobile home electrical systems be grounded?
- Should the venting of water heaters be required?
- Should tests be required to determine interior air quality?

Little emphasis on housing quality as compared to other program functions

Section 8 headquarters managers have not focused as much attention on housing quality as they have on other program functions. Our analysis of program information accumulated for use in the section 8 data banks and the subject matter of the program's reporting systems indicates that housing quality is a low management priority.

HUD headquarters personnel have not requested any data on housing quality from HUD field offices or PHAs to evaluate or manage the quality of leased housing. We could find no periodic reports or data accumulated at HUD headquarters for the purpose of managing section 8 housing quality.

In contrast, HUD headquarters has several data collection and reporting systems to help manage other aspects of the section 8 program. One information system produces semi-annual reports of section 8 tenant characteristics. Another produces a number of recurring reports on various production aspects of the section 8 program nationwide and by regional and area office, including the following monthly reports:

- Fiscal year activity report showing the status of housing reservations, starts, and completions for the current fiscal year.
- Cumulative activity report showing the status of housing reservations, starts, and completions from inception of the program.
- Cumulative pipeline report summarizing production activity in the processing pipeline.
- Interim milestone report measuring certain production activities against established goals.
- Report of reservations and executions summarizing units and funds reserved and contracts executed.
- Report on section 8 occupancy showing the number of units occupied.

Management emphasis on other program functions was also evident in HUD's field office operations. At the five field offices we visited, officials told us they had not accumulated data on housing quality and that program results regarding decent, safe, and sanitary housing had not been evaluated. Further, HUD's Chicago area office had not monitored housing quality at any of the 15 participating PHAs in its jurisdiction. Chicago HUD officials said housing quality had not been monitored because priority was given to housing production and starts and processing housing applications. Also, Chicago officials said they were held accountable when section 8 leased housing goals were not met, but they were not held accountable if they did not inspect section 8 homes.

We believe that housing quality enforcement problems justify placing increased emphasis on the management of housing quality. In chapter 3 of this report, we point out that some of the subsidized housing inspected was substandard. HUD's Office of Inspector General reports, one of which is discussed on page 72, also identified substandard leased housing and monitoring problems. In addition, in 1978 HUD concluded from its experimental housing allowance program that any program using existing housing stock, including section 8, needs careful monitoring to ensure a reasonable level of compliance with housing quality standards.

#### OPPORTUNITIES TO IMPROVE THE QUALITY AND USEFULNESS OF HOUSING QUALITY OVERSIGHT

Our review showed that opportunities are available to improve the effectiveness of HUD's oversight of section 8 housing quality. We believe HUD needs to

- specifically require its field office monitoring inspectors to identify and correct PHA weaknesses which allowed the approval of substandard units and
- make greater use of the results of field office monitoring inspections.

#### Need to identify and correct PHA weaknesses

HUD monitoring instructions require its field office staff generally to inspect a sample number of leased homes at each PHA periodically, report to the PHAs on corrective actions needed, and followup to correct deficiencies in PHA operations.

However, HUD instructions do not specifically require that monitoring be used to identify and correct PHA weaknesses which contributed to the approval of substandard housing. As a result, HUD inspectors have not identified or corrected such weaknesses.

We analyzed HUD's field office monitoring of housing quality at 38 PHAs, which included 10 PHAs we visited and 28 others selected at random from the monitoring visits made by four of the five HUD field offices we visited. The Chicago field office was not included because it had not monitored housing quality at any PHA, as discussed previously.

HUD had inspected a total of 421 section 8 homes during 53 monitoring visits to the 38 PHAs. The inspectors identified homes containing some defects in 30 of the 53 monitoring visits and in about every fourth home inspected.

We found little evidence that HUD inspectors inquired into the reasons why PHAs subsidized substandard homes. The monitoring visits at the 38 PHAs generally consisted of inspecting the homes and requesting or recommending to the PHAs that they ensure that the substandard condition was corrected. At two PHAs, the HUD inspector did report that tenants had caused the substandard conditions. The monitoring report at another PHA made no comments on causes, but the HUD inspector told us that the PHA inspector told him that he did not cite the defect because of uncertainty about its seriousness. We could find no evidence that HUD inspectors evaluated the qualifications of the PHA inspectors, training provided, or adequacy and completeness of PHA inspection checklists. The only evidence we found that HUD inspectors inquired into the PHA inspection process related to whether PHA inspections were made on time.

HUD's Office of the Inspector General also reported on the need to identify and correct weakness which allowed the approval of substandard housing. In 1977, the Inspector General reported that the Des Moines field office was requiring correction of specific housing quality defects without identifying causes and recommending broader corrective action. According to the report, the high rate of recurring defects found by the Des Moines office at individual PHAs should have indicated that other section 8 units were also affected. Examples of recurring defects included improper bathroom ventilation and defective hand railings on stairs.

#### Making greater use of HUD inspection reports

HUD inspection reports should inform HUD and PHA administrators whether section 8 housing of an acceptable level is being subsidized under the program. However, HUD considers the information on housing quality in the monitoring reports on an individual basis. HUD could collectively analyze the information in the reports to identify nationwide results on the quality of housing and problem areas. To achieve the maximum benefits of monitoring inspections performed by HUD

inspectors, we believe that HUD should perform such analyses to identify nationwide results on the quality of housing and problem areas warranting program management attention.

HUD spends a large amount of resources to monitor housing quality. Although information is not available on the specific amount of resources expended for this purpose, we estimate that HUD field officials have inspected about 8,000 section 8 homes since the program began, based on the number of inspections conducted by the five field offices we visited and the number of existing section 8 homes leased under the program. Inspection results on this number of homes provide a large base for accumulating information on the quality of section 8 housing.

Although HUD headquarters began receiving copies of the monitoring reports in late 1978, these reports are not intended to be used for evaluative purposes. HUD officials told us that they do not plan to use these reports to accumulate, analyze, or assess the quality of the program's housing.

### CONCLUSIONS

HUD's section 8 leased housing program is a multibillion dollar program and represents the Federal Government's principal program for housing lower income families today. One of the program's major purposes is to ensure that lower income families are placed in decent, safe, and sanitary housing.

However, headquarters section 8 program managers have not been assigned specific responsibilities or held accountable for housing quality. As a result, program management has not addressed various housing quality functions and opportunities available to preclude approval of substandard homes. It has given little emphasis to functions relating to the program's housing quality performance and opportunities to improve program performance in this area have not been realized. Unless specific responsibilities and accountability for housing quality are assigned, and sufficient staff employed, the program may not achieve the best results on housing quality. We believe housing quality enforcement problems justify placing increased emphasis on the management of housing quality.

Oversight of PHA performance in inspecting section 8 homes, through independent reviews by HUD field office personnel, is necessary to ensure the quality of PHA inspections. We believe HUD can improve the quality and usefulness of its monitoring by identifying and correcting causes for substandard conditions and collectively analyzing the information in the reports to identify nationwide results on the quality of housing and problem areas.

## RECOMMENDATIONS

To promote better headquarters management over the quality of section 8 homes, we recommend that the Secretary of HUD clearly define responsibility and accountability for the management of the program's housing quality, including employment of sufficient staff, and that such responsibility include:

- Developing and implementing an evaluation system to assess and report periodically on the quality of leased housing programwide. Such evaluations could be made by collectively analyzing the information in HUD's monitoring reports to identify nationwide housing quality results and problem areas.
- Implementing a housing quality monitoring system to identify causes of and take corrective action on weaknesses that have permitted approval of substandard housing.
- Analyzing housing quality standards periodically for needed clarifications followed by appropriate revisions to the standards.
- Providing technical guidance and other information to PHAs on housing quality enforcement, trends, and nationwide problems.

## AGENCY COMMENTS AND OUR EVALUATION

HUD agreed with our recommendations. Some of the planned and ongoing actions directed at these recommendations include:

- Conducting an immediate review of the organizational function, structure, and staffing of two headquarters units followed by corrective action as necessary. One unit has programmatic responsibility for section 8 existing housing and the other unit monitors HUD field office performance relating to housing program management.
- Providing a format for field office inspections of a sample of units to provide descriptive information in relation to housing quality results and problem areas. Instructions will direct the field to send copies of the report to headquarters so that the information may be analyzed and evaluated.
- Designing a management system which will provide a capacity to (1) assess the causes which permit approval of units with deficiencies and (2) assure that corrective action is taken. The inspection format or a revised management review form will be

designed to include analysis of the causes which permit inclusion of deficient units in the program and which will provide assurance that those causes have been removed. Instructions will be provided to the HUD field offices on reviews of PHA operation of the program to expand the scope of their monitoring of housing quality. Headquarters procedures for evaluating field office program performance will also be adapted to this new objective. Simultaneously, a data collection system will be developed to provide systematic information on housing quality and to develop methods for analyzing the data once it is available to headquarters.

- Undertaking revisions and clarifications to the present housing quality standards.
- Issuing the PHA Administrative Guide which will
  - (1) clarify the current housing quality standards,
  - (2) provide guidance to PHAs to determine conditions which affect the health and safety of occupants,
  - (3) suggest methods for training PHA inspectors to strengthen staff capability in making inspections and for selecting and training housing inspectors, and
  - (4) discuss PHA internal controls necessary to assure housing quality.
- Providing intensive training, after the PHA Administrative Guide is issued, to both the HUD field staff and PHA inspection staff on applying the housing quality standards. A training model will be developed to provide technical guidance on the application of housing quality standards and provide information on trends and problems.

HUD's responses to these recommendations are constructive and should help improve the overall management of section 8 existing housing quality. However, we again want to stress the importance of assigning specific responsibilities to specific headquarters individuals so that accountability for housing quality is visible. We believe this is the key to achieving greater focus on quality control.

## SECTION 8 HOUSING QUALITY STANDARDS

Housing used in this program shall meet the Performance Requirements set forth in this section. In addition, the housing shall meet the Acceptability Criteria set forth in this section except for such variations as are proposed by the PHA and approved by HUD. Local climatic or geological conditions or local codes are examples which may justify such variations.

Sanitary Facilities

Performance Requirement: The dwelling unit shall include its own sanitary facilities which are in proper operating condition, can be used in privacy, and are adequate for personal cleanliness and the disposal of human waste.

Acceptability Criteria: A flush toilet in a separate private room, a fixed basin with hot and cold running water, and a shower or tub with hot and cold running water shall be present in the dwelling unit, all in proper operating condition. These facilities shall utilize an approved public or private disposal system.

Food Preparation and Refuse Disposal

Performance Requirement: The dwelling unit shall contain suitable space and equipment to store, prepare, and serve foods in a sanitary manner. There shall be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

Acceptability Criteria: The unit shall contain the following equipment in proper operating condition: cooking stove or range and a refrigerator of appropriate size for the unit, supplied by either the Owner or the Family, and a kitchen sink with hot and cold running water. The sink shall drain into an approved public or private system. Adequate space for the storage, preparation, and serving of food shall be provided. There shall be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

Space and Security

Performance Requirement: The dwelling unit shall afford the family adequate space and security.

Acceptability Criteria: A living room, kitchen area, and bathroom shall be present; and the dwelling unit shall contain at least one sleeping or living/sleeping room of appropriate size for each two persons. Exterior doors and windows accessible from outside the unit shall be lockable.

### Thermal Environment

Performance Requirement: The dwelling unit shall have and be capable of maintaining a thermal environment healthy for the human body.

Acceptability Criteria: The dwelling unit shall contain safe heating and/or cooling facilities which are in proper operating condition and can provide adequate heat and/or cooling to each room in the dwelling unit appropriate for the climate to assure a healthy living environment. Unvented room heaters which burn gas, oil, or kerosene are unacceptable.

### Illumination and Electricity

Performance Requirement: Each room shall have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. Sufficient electrical sources shall be provided to permit use of essential electrical appliances while assuring safety from fire.

Acceptability Criteria: Living and sleeping rooms shall include at least one window. A ceiling or wall type light fixture shall be present and working in the bathroom and kitchen area. At least two electric outlets, one of which may be an overhead light, shall be present and operable in the living area, kitchen area, and each bedroom area.

### Structure and Materials

Performance Requirement: The dwelling unit shall be structurally sound so as not to pose any threat to the health and safety of the occupants and so as to protect the occupants from the environment.

Acceptability Criteria: Ceilings, walls and floors shall not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling or noticeable movement under walking stress, missing parts or other serious damage. The roof structure shall be firm and the roof shall be weathertight. The exterior wall structure and exterior wall surface shall not have any serious defects such as serious leaning, buckling, sagging, cracks or holes, loose

siding, or other serious damage. The condition and equipment of interior and exterior stairways, halls, porches, walkways, etc., shall be such as not to present a danger of tripping or falling. Elevators shall be maintained in safe and operating condition. In the case of a mobile home, the home shall be securely anchored by a tiedown device which distributes and transfers the loads imposed by the unit to appropriate ground anchors so as to resist wind over-turning and sliding.

#### Interior Air Quality

Performance Requirement: The dwelling unit shall be free of pollutants in the air at levels which threaten the health of the occupants.

Acceptability Criteria: The dwelling unit shall be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful air pollutants. Air circulation shall be adequate throughout the unit. Bathroom areas shall have at least one openable window or other adequate exhaust ventilation.

#### Water Supply

Performance Requirement: The water supply shall be free from contamination.

Acceptability Criteria: The unit shall be served by an approved public or private sanitary water supply.

#### Lead Based Paint

Performance Requirement: The dwelling unit shall be in compliance with HUD Lead Based Paint regulations, 24 CFR, Part 35, issued pursuant to the Lead Based Paint Poisoning Prevention Act, 42 U.S.C. 4801, and the Owner shall provide a certification that the dwelling is in accordance with such HUD regulations.

If the property was constructed prior to 1950, the Family upon occupancy shall have been furnished the notice required by HUD Lead Based Paint regulations and procedures regarding the hazards of lead based paint poisoning, the symptoms and treatment of lead poisoning, and the precautions to be taken against lead poisoning.

Acceptability Criteria: Same as Performance Requirement.

### Access

Performance Requirement: The dwelling unit shall be useable and capable of being maintained without unauthorized use of other private properties, and the building shall provide an alternate means of egress in case of fire.

Acceptability Criteria: The dwelling unit shall be useable and capable of being maintained without unauthorized use of other private properties. The building shall provide an alternate means of egress in case of fire (such as fire stairs or egress through windows).

### Site and Neighborhood

Performance Requirement: The site and neighborhood shall be reasonably free from disturbing noises and reverberations and other hazards to the health, safety, and general welfare of the occupants.

Acceptability Criteria: The site and neighborhood shall not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks, steps, instability, flooding, poor drainage, septic tank back-ups, sewage hazards or mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

### Sanitary Conditions

Performance Requirement: The unit and its equipment shall be in sanitary condition.

Acceptability Criteria: The unit and its equipment shall be free of vermin and rodent infestation.

### Congregate Housing

The foregoing standards shall apply except for the paragraph of this section on Food Preparation and Refuse Disposal. In addition, the following standards shall apply:

--The unit shall contain a refrigerator of appropriate size.

--The central dining facility (and kitchen facility, if any) shall contain suitable space and equipment to store, prepare, and serve food in a sanitary manner, and there shall be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410

July 23, 1979

OFFICE OF THE ASSISTANT SECRETARY FOR  
HOUSING—FEDERAL HOUSING COMMISSIONER

IN REPLY REFER TO:

Mr. Henry Eschwege  
Director, Community and Economic  
Development Division  
United States General Accounting Office  
Washington, D. C. 20548

Dear Mr. Eschwege:

Your letter of June 19, 1979 addressed to Secretary Harris transmitting a proposed report to the Congress entitled "Quality of Federally Subsidized Housing Leased to Lower-Income Persons Can Be Improved," has been referred to me for reply.

I feel this report is a balanced portrayal of PHAs participating in the Section 8 Existing Housing Program. The series of case studies shows that the Section 8 Existing Program is an effective tool for providing decent, safe and sanitary housing for lower-income families. The report also points out some problems and their causes, some of which you indicate are related to Federal standards and the need for guidance, and others which are related to PHA, owner, or tenant performance. Your recommendations tend to support efforts currently planned by the Department, including activities which are presently underway. I want to emphasize that I support efforts to refine the program standards and provide more guidance to PHAs.

For the sake of clarity, however, I recommend that you consider incorporating the following revisions in the final report:

1. Use of the word "deficient" should generally be substituted, throughout the report, for references to "substandard." This revision would clarify the distinction which you are trying to make on page ii, which presently states: "While some of the homes containing substandard conditions were overall decent, safe and sanitary and could be brought up

to Federal standards at minimal costs, the substandard conditions in 18 percent of the homes (29) were so serious that the homes were not decent, safe, and sanitary." The word "substandard" generally implies that the dwelling unit is not decent, safe, and sanitary, and suggests a severe condition which you may not intend. (GAO Note - See our comments on page 6.)

2. In the several summaries of conditions which were less than fully acceptable, I would recommend that they be presented in a format which clearly distinguishes those problems related to (1) violations of HUD's Housing Quality Standards (HQS), (2) those which in the inspector's opinion were deficiencies even if they were not violations of HUD's HQS, and (3) those which are a result of lack of routine maintenance or tenant damage or poor housekeeping. While the latter two categories need to be addressed by HUD, the present regulations do not hold PHAs accountable for anything but HUD's HQS. (See GAO note on page 88.)

The following provides my preliminary response to the recommendations in your draft report (in the order presented in that report):

Recommendation No. 1. In order to improve the guidance provided PHAs on the quality of housing leased under the Section 8 Existing Program, the Secretary of HUD should clarify the Section 8 housing quality standards by defining (1) what represents adequate space for preparing, serving, and storing food; (2) whether or under what conditions kitchen gas stoves and portable electric heaters are acceptable for heating homes; (3) what type of emergency exits are acceptable and which are not; and (4) site and neighborhood conditions that should be inspected.

Reply. I agree that there is a critical need to provide guidance to PHAs - and HUD Field Offices - on implementing the HQS so that housing leased under the Section 8 Existing Program is decent, safe, and sanitary.

We will issue the PHA Administrative Guide (in the Fall of 1979) which will clarify the present HQS including:

(1) guidance for determining what represents adequate space for preparing, serving, and storing food; (2) specifically prohibiting kitchen gas stoves and portable electric heaters as acceptable for the purpose of heating homes; (3) guidance for determining the adequacy of emergency exits; and (4) guidance regarding the site and neighborhood conditions which should be considered. Following the issuance of the PHA Administrative Guide, we will provide training for HUD field staff and for PHAs on the interpretation and implementation of the standards.

In the longer term, we are considering a regulation to require that units in the program conform with local housing codes which meet certain minimum standards. Local housing codes in many cases may provide more specific definitions of physical standards, and local officials generally are familiar with what those standards require.

Recommendation No. 2. In order to improve the guidance provided PHAs on the quality of housing leased under the Section 8 Existing Program, the Secretary of HUD should expand the Section 8 housing quality standards to state (1) whether or not leased housing should comply with the Natural Gas Pipeline Safety Act and if water heaters should have pressure and temperature relief valves and discharge lines and (2) the extent to which Section 8 housing should be free from or may contain cosmetic and minor maintenance defects.

Reply. We will consider whether the current regulations on housing quality should be revised to conform with the National Gas Pipeline Act. We plan to require that water heaters have pressure and temperature relief valves and discharge lines. The PHA Administrative Guide will provide more guidance on the extent to which Section 8 Existing Housing units should be free from cosmetic and minor maintenance defects.

Recommendation No. 3. In order to improve the guidance provided PHAs on the quality of housing leased under the Section 8 Existing Program, the Secretary of HUD should study the housing quality standards requirement for mobile home tiedowns in relationship to the rationale for not requiring tiedowns in other HUD mobile home programs. Based on this study, delete the requirement or establish criteria on when it should be waived.

Reply. The Department is studying the desirability of the mobile home tiedown as a part of its review of all housing quality standards. While tiedowns are essential in high wind zone areas, there may be some locations which should be exempt from this requirement. As a result of this study, we will specify criteria for the use of tiedowns (consistent with other Departmental standards for mobile homes) and will clarify possible conditions for waivers.

Recommendation No. 4. In order to improve the guidance provided PHAs on the quality of housing leased under the Section 8 Existing Program the Secretary of HUD should provide guidance to PHAs on the experience and training needed to qualify an individual as a PHA housing inspector.

Reply. In January 1979 the Department issued a Notice to PHAs operating the Section 8 Existing Program which included guidance on the experience required for an inspector. In addition, we plan to provide additional guidance and training to PHAs and HUD field office staff to assure that there is more consistency in the understanding of the standards to be maintained. Our analysis to date suggests that there is a need to improve the inspectors' judgment in relating the physical condition of the unit to the HUD Acceptability Criteria (or HUD-approved variation). The PHA Administrative Guide will provide additional guidance in this area, although the adoption of a system of local code standards could obviate this problem in the future. In addition, we will provide more guidance to the PHAs - in the PHA Administrative Guide - on experience and training required of PHA inspectors.

Recommendation No. 5. In order to improve the guidance provided PHAs on the quality of housing leased under the Section 8 Existing Program, the Secretary of HUD should develop an inspection checklist for PHA inspectors designed to highlight all Section 8 housing quality standards. To improve its effectiveness, the checklist should require that housing defects be justified and the severity or urgency of correction be assessed.

Reply. Pending any major revision to the standards utilized, the Department is revising the inspection checklist (Form HUD-52680), which is to be used by PHAs in determining whether their units meet Housing Quality Standards. The

checklist will include space for determining the severity of the violation and the time-frame for correction. The form will be fully explained in the forthcoming PHA Administrative Guide.

Recommendation No. 6. In that substandard homes have at times been knowingly approved for Section 8 subsidy because of concerns for the need for housing, participant desires, or production goals, the Secretary of HUD should either, (1) issue instructions approving this practice which specify the types of housing defects which can be conditionally approved and require PHAs to ensure correction of the substandard conditions within specified timeframes or (2) reemphasize to PHAs that substandard housing is never acceptable under the Section 8 Existing Program including housing that is leased because of concerns for the need for housing, tenant preferences on location, or production goals.

Reply. The forthcoming PHA Administrative Guide will emphasize, as will the training workshops, the Department's position that units must fully meet HUD HQS standards before being leased under the Section 8 Existing Program, despite concerns for meeting production goals or emergency housing needs. I do not believe scarce Federal funds should be used to support substandard housing. If a unit has deficiencies when located by the tenant, it should be brought up to the appropriate standards before Federal subsidy is provided. I do not believe that it is feasible to describe circumstances when "conditional approvals" are warranted without subjecting the program to increased subjectivity and abuse. In addition, the new Section 8 Moderate Rehabilitation program provides a new mechanism for upgrading units which do not meet HQS.

Recommendation No. 7. In order to improve the guidance provided PHAs on the quality of housing leased under the Section 8 existing program, the Secretary of HUD should encourage PHAs to counsel owners on their maintenance responsibilities and inform them that Section 8 contracts will be cancelled as authorized by program regulations, if owners do not maintain leased housing in a decent, safe, and sanitary condition.

Reply. Additional guidance is provided in the forthcoming PHA Guide to emphasize to PHAs their responsibility for a) informing owners in owner workshops and at the time of

lease approval of their responsibility for insuring that units to be assisted are decent, safe and sanitary and b) taking prompt action under the Housing Assistance Payments Contract to withhold or abate payments or terminate the HAP contract and relocate the family when units are found to be in violation of the Housing Quality Standards. Again, the PHA's role in educating owners in responsibilities and follow-up in the case of non-compliance will be discussed at the PHA and HUD field training.

Recommendation No. 8. In order to improve the guidance provided PHAs on the quality of housing leased under the Section 8 Existing Program, the Secretary of HUD should develop a policy for PHAs pointing out that program participants are also responsible for keeping their housing in decent, safe and sanitary condition. To be effective, this policy should include procedures for PHAs to follow in cancelling assistance to program participants whose actions result in rendering housing not decent, safe and sanitary.

Reply. PHAs have a responsibility to counsel Certificate Holders (at initial briefings and at re-examinations) about their responsibilities for maintaining their unit in a decent, safe, and sanitary condition. We will emphasize this responsibility in the PHA Administrative Guide and will prepare a pamphlet to be given to Certificate Holders on tenant responsibility. It should be noted that the PHA is not a party to the lease between the owner and the tenant. Current regulations, however, allow the owner to evict the tenant, with PHA authorization, if the eviction complies with local law and our regulations. Present regulations allow the PHA thereafter to determine that a family is ineligible for future assistance (i.e. another Certificate) if the eviction was authorized by HUD and the family is liable for unpaid rent or damages. Current regulations also allow PHAs to determine that families who are evicted (with PHA authorization) for other grounds may be determined ineligible for further assistance if that policy is stated in the PHA's approved Administrative Plan.

Recommendation No. 9. To promote better Headquarters management over the quality of Section 8 homes, the Secretary of HUD should clearly define responsibility and accountability for the management of the program's housing quality, including the employment of sufficient staff, and

that such responsibility specifically include developing and implementing an evaluation system to periodically assess and report on the quality of leased housing program wide. Such evaluations could be made by collectively analyzing the information in HUD's monitoring reports to identify nationwide housing quality results and problem areas.

Reply. The Department has included in its Executive Management Reports system this year a specific goal designed to assure that units with Housing Quality violations are repaired quickly. Each Regional Administrator reports, on a monthly basis, the number of units with HQS violations which were found when field staff inspects a sample of units during their PHA management reviews; in addition they report how many of those deficiencies have been corrected within ninety (90) days.

After completion of the PHA Administrative Guide (which will clarify HQS), we will provide a format for field office inspections of a sample of units to provide descriptive information in relation to housing quality results and problem areas. Instructions will direct the field to send copies of the report to Headquarters so that the information may be analyzed and evaluated.

As you know, we have established a Headquarters unit with programmatic responsibility for Section 8 Existing Housing and another unit which monitors HUD Field Office performance relating to the management of Housing programs, including the Section 8 Existing Housing program. However, in light of your recommendation, we will immediately review the organizational function, structure, and staffing of both units and take corrective action as necessary.

Recommendation No. 10. The Secretary of HUD should implement a housing quality monitoring system the objectives of which should be to identify causes of and take corrective action on weaknesses which permitted the approval of substandard housing.

Reply. As indicated in my reply to Recommendation No. 9, we are in the process of improving the information received in regard to housing quality. In addition, a current major research effort being performed by the Assistant Secretary for Policy Development and Research (PD&R) on the Section 8 Existing program will collect data on housing quality in thirteen (13) SMSAs.

We also intend to work with Policy Development and Research to design a management system which will provide a capacity to (1) assess the causes which permit approval of units with deficiencies and (2) assure that corrective action is taken. The inspection format or a revised management review form will be designed to include analysis of the causes which permit inclusion of deficient units in the program and which will provide assurance that those causal factors have been corrected. We will undertake revisions to the Section 8 Existing Handbook (HUD 7420.3 Rev.), to provide instruction to the HUD field offices on reviews of PHA operation of the program to expand the scope of their monitoring of housing quality. Our Headquarters procedures for evaluating field office program performance will also need to be adapted to this new objective. Simultaneously, we will need to develop data collection systems to provide systematic information on housing quality and to develop methods for analyzing the data once it is available to Headquarters.

Recommendation No. 11. The Secretary of HUD should periodically analyze housing quality standards for needed clarifications followed by appropriate revisions to the standards.

Reply. As I indicated in my response to Recommendation No. 1, the Department has already begun consideration of a different approach to housing quality, e.g. requiring conformance to HUD accepted local housing codes. Recognizing, however, that a major change of basic standards, requiring thorough analysis and PHA input, will require considerable time, we are undertaking revisions and clarifications to the present HQS in the interim.

Recommendation No. 12. The Secretary of HUD should provide technical guidance and other information to PHAs on housing quality enforcement, trends, and nationwide problems.

Reply. As you know, in January, 1979, the Department issued a Notice to all PHAs administering the Section 8 Existing Housing program stressing PHA responsibilities with respect to unit inspections. That preliminary effort is being supplemented in the PHA Administrative Guide which will:

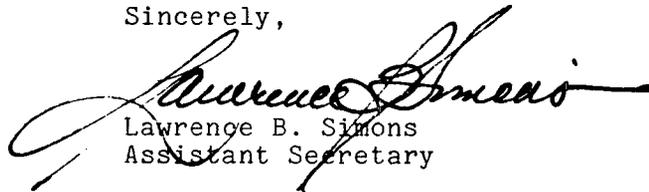
clarify the current HQS

- . provide guidance to PHAs to determine conditions which affect the health and safety of the occupants.
- . provide suggested methods for training PHA inspectors to strengthen staff capability in making inspections and for selecting and training housing inspectors.
- . discuss PHA internal controls necessary to assure housing quality.

After the PHA Administrative Guide is issued, we intend to provide intensive training to both the HUD field staff and PHA inspection staff on application of the HQS. My office is working with PD&R to develop a training model which will provide technical guidance on the application of housing quality standards and provide information on trends and problems.

I appreciate your support of the Section 8 Existing Housing Program and your constructive recommendations for improving the program's capacity to provide decent, safe and sanitary shelter to low income families. My staff and I look forward to continued cooperation with you in implementation of the final recommendations.

Sincerely,



Lawrence B. Simons  
Assistant Secretary

GAO Note - Chapter 3 presents information about the number of homes in each category of weakness which allowed substandard homes to be subsidized. In addition, we clarified our definition of substandard in Chapter 1 to show that although some defects were not specific violations of HUD's standards, HUD inspectors considered the defects to fall within one of the more generally written section 8 standards.

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